**V. B. INDUSTRIES LIMITED**
CIN No. : L51909WB1982PLC035222
9, Old China Bazar Street, 5th Floor,
Room No. 85, Kolkata - 700 001
Tele-fax : 033 - 2242 7270
E-mail : vbindustries1@gmail.com
Website : www.vbindustriesltd.com

September 2, 2020

**The Deputy Manager**
**Dept. of Corporate Services**
**BSE Limited**
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001

**The Company Secretary**
**The Calcutta Stock Exchange Association Ltd.**
7, Lyons Range
Kolkata-700 001

Ref: **Scrip Code BSE – 539123, CSE-10032008**

Sub: **Submission of Notice & Annual Accounts for FY - 2019-2020**

Respected Sir or Madam,

With reference to the above captioned matter and pursuant to clause 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 we are submitting herewith with this letter, soft copy of Annual Report 2019-20 containing Notice & Annual Accounts for the financial year ended on 31st March 2020 which will be dispatched/sent to the Members of the Company through permitted mode(s).

The said Annual Report is also available under Investor Relations>Annual Reports section of Company's website viz. **www.vbindustriesltd.com**

Kindly acknowledge the receipt of the same & oblige.

Thanking You,

Yours Faithfully,
For **V. B. INDUSTRIES LIMITED**

Gwaldasvyas

**GWAL DAS VYAS**
**DIN: 01319377**
**MANAGING DIRECTOR**

Enclosed : a/a

# 33RD ANNUAL REPORT 2019-20



# V B INDUSTRIES LIMITED

**Corporate Identification No.: L51909WB1982PLC035222**

## BOARD OF DIRECTORS

| | |
|---|---|
| Gwal Das Vyas | Chairman & Managing Director |
| Viswa Vijayendra Prasad | Independent Director |
| Rajesh Banga | Independent Director |
| Sangeeta Joshi | Independent Director |

## KEY MANAGERIAL PERSONNEL

| | |
|---|---|
| Payal Bafna | Company Secretary & Compliance Officer |
| Jagannath Pandit | Chief Financial Officer |

# 33rd Annual Report 2019 - 2020

## AUDITORS

M/s. Mahato Prabir & Associates
Chartered Accountants
16/2G/1B, Dover Terrace, Kolkata – 700 009

## BANKERS

Kotak Mahindra Bank
Punjab National Bank

## REGISTERD OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENT

ABS Consultant Private Limited
99, Stephen House, 6th Floor
4, B.B.D. Bag (East), Kolkata-700 001

## ANNUAL GENERAL MEETING

| | |
|---|---|
| Date | 25th September, 2020 |
| Time | 2.30 PM |
| Venue | Registered Office of the Company |

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**AGM will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**

## Notice

Notice is hereby given that the 33rd Annual General Meeting of the members of **V B INDUSTRIES LIMITED** will be held on Friday, 25th September, 2020 at 2.30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses as:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 along with the Reports of the Board of Directors and the Auditors thereon.

**SPECIAL BUSINESS:**

2. Appointment of Mr. Gwal Das Vyas (DIN: 01319377) as a Managing Director of the Company for a period of 5 years.

   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 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded for appointment of Mr. Gwal Das Vyas (DIN: 01319377) as Chairman & Managing Director of the Company, for a period of about 5 years commencing from October 29, 2019 up to September 30, 2024 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 appointment and/or Agreement in such manner as may be agreed to between the Board and Gwal Das Vyas and is liable to retire by rotation."

   **"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

**Note:**

The Company's Statutory Auditor, M/s. Mahato Prabir & Associates, Chartered Accountants, Kolkata (FRN - 325966E) was appointed as Statutory Auditor's for a period of five consecutive years at the 32nd AGM of the Company held on 30th September 2019 on remuneration to be determined by the Board of Directors.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, which came into effect from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditor has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

Kolkata, August 10, 2020

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

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

**Payal Bafna**
Company Secretary

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide it's circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions

of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to ABS Consultant Private Limited, Registrar and Transfer Agent, by e-mail through its registered e-mail address to absconsultant99@gmail.com.

4. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.vbindustriesltd.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.

7. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.

8. The Register of Member and the Share Transfer Books of the Company will remain closed from 19th September 2020 to 25th September 2020 (both days inclusive).

9. Members whose email address are not registered can register the same in the following manner:

   - Members holding share(s) in physical mode can register their e-mail ID by sending an email to the Company by providing requisite details of their holdings and documents for registering their e-mail address; and
   - Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants "DPs" for receiving all communications from the Company electronically.

10. The Company has engaged the services of NSDL as the authorized agency for conducting of the e-AGM and providing e-voting facility.

11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

12. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID vbindustries1@gmail.com till the date of AGM.

13. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.

14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, ABS Consultant Private Limited ("ABS") for assistance in this regard.

15. Shareholders/Investors are advised to send their queries/complaints through the e-mail id vbindustries1@gmail.com for quick and prompt redressal of their grievances.

16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before September 18, 2020 through email on vbindustries1@gmail.com. The same will be replied by the Company suitably.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to ABS in case the shares are held by them in physical form.

18. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13, which is available on the website of the Company.

19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or ABS, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

21. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.

22. Instructions for attending the AGM and e-voting are as follows:

**A. Instructions for attending the AGM:**

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

3. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

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

For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to RTA / Company email id at absconsultant99@gmail.com or vbindustries1@gmail.com.

For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to RTA / Company email id at absconsultant99@gmail.com or vbindustries1@gmail.com.

The Company/RTA shall co-ordinate with NSDL and will provide the login credentials to the above mentioned shareholders.

**C. Voting through Electronic means -**

4. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

5. The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.
6. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
7. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
8. The e-voting period commences on Tuesday, September 22, 2020 (9:00 am) and ends on Thursday, September 24, 2020 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 18, 2020. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or absconsultant99@gmail.com.
10. The Board of Directors has appointed CS Sanjay Kumar Vyas, Practicing Company Secretary (Membership No. 55689) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
11. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

**The process and manner for remote e-voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

d) Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| • For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| • For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| • For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

e) Your password details are given below:

i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

f) If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

i. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

ii. Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

h) Now, you will have to click on "Login" button.

i) After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

c) Select "EVEN" of company for which you wish to cast your vote.

d) Now you are ready for e-Voting as the Voting page opens.

e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

f) Upon confirmation, the message "Vote cast successfully" will be displayed.

g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayvyas1802@gmail.com with a copy marked to evoting@nsdl.co.in.

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts

to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

d) In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

Email: evoting@nsdl.co.in/pallavid@nsdl.co.in,

Tel: 91 22 2499 4545/ 1800-222-990

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Shareholders will be able to attend the AGM through VC / OAVM through web link - https://purvashare.instavc.com/broadcast/b84492a0-e062-11ea-8b7c-d1b956dd69b5 by entering their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at vbindustries1@gmail.com
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:**

1. The procedure for E-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system available during the AGM.
3. If any votes are casted by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote E-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by her in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vbindustriesltd.com and on the NSDL website https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to BSE Limited (BSE) and Calcutta Stock Exchange Association Limited (CSE), where the shares of the Company are listed.

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

**ITEM No. 2:**

In line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on October 29, 2019, has appointed Mr. Gwal Das Vyas (DIN: 01319377) as a Whole Time Director designated as Executive Director of the Company for a period of five years with effect from October 29, 2019. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in respect of the appointment of Mr. Gwal Das Vyas as a Chairman & Managing Director is given below:

Mr. Gwal Das Vyas fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013 and other applicable provisions. The remuneration paid / payable to Mr. Gwal Das Vyas is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time. Brief resume of above Director, as stipulated under SEBI (LODR) Regulations, 2015, are provided in the Annexure to this Notice, which is forming part of the Annual Report.

Above named Director has not completed the age of 75 years and hence compliance with Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations, 2018 does not apply to this appointment.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Director is in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item No. 2 of the Notice.

The Board recommends the Ordinary Resolutions as set out in Item No. 2 of the Notice for approval of the Members.

**ANNEXURE**

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICSI, information about the Directors proposed to be appointed/re-appointed is furnished below:

| **Name of Director** | **Mr. Gwal Das Vyas** |
|---|---|
| Directors' Identification No. (DIN) | 01319377 |
| Date of Birth | 15th May 1955 |
| Date of Appointment on Board | 6th December 2015 |
| Qualification | Graduate (B.Com) |
| Experience | 40 Years in Accounting and Taxation matters |
| Terms & Conditions of Appointment / Re-appointment | 5 Years commencing from 29th October 2019 |
| Remuneration details | ₹ 25,000/- per month plus out of pocket expenses plus retirement benefit as per prevailing laws. |
| Shareholding in Company | Nil |
| Relationship with the Company & Other Directors | Not Any |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies) | 1. Prime Capital Market Limited<br>2. Scan Infrastructure Limited |
| No. of Board Meeting attended during the year | 4 (Four) |
| Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies as on date | Committee Chairmanship – 2<br>Committee Membership – 4 |

Kolkata, August 10, 2020

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

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

**Payal Bafna**
Company Secretary

# V B Industries Limited

CIN: L51909WB1982PLC035222
Regd. Office: 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001
Tel: +91 33 2234 6715, Email: vbindustries1@gmail.com; Website: www.vbindustriesltd.com

Dear Member,

**Sub: Updation of KYC Details in the Master Data**

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company, through periodic communiqués, advises such shareholders to notify to the Company, any change in their address/ bank details /email Id etc. under the signatures of sole/ first named joint holder along with relevant supporting documents.

SEBI vide its Circular dated 20th April, 2018 had also greatly emphasized on collection of the Bank Account details and the PAN details of the shareholders in order to enable Companies/ RTA to raise standards and provide improved services to the Shareholders.

In this background, we are attaching herewith a KYC Form for all the shareholders holding shares in physical form to get all their details updated in the Master Data.

**Kindly note that this Form is only for the purpose of master data Updation of Shareholders holding Shares in Physical form.**

In case of Dematerialised Shareholding, the Company takes note of the details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to your details updated in the master data and submit the attached KYC Form to the Company at its Registered Office at 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001.

Assuring you of our best services;

Thanking you.

Yours Faithfully,

For **V B Industries Limited**

S/d-

**Payal Bafna**
Company Secretary & Compliance Officer

Encl.: KYC Form

## FOR INFORMATION OF THE SHAREHOLDERS

### Process for registration of email id for obtaining Annual Report and user ID/password for e-voting and updation of account mandate for receipt of dividend:

| | |
|---|---|
| **Physical Holding** | Send a request to the Registrar and Transfer Agents of the Company, ABS Consultant Private Limited at absconsultant99@gmail.com providing Folio No., Name of a shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.<br>**Following additional details need to be provided in case of updating Bank Account Details:**<br>• Name and Branch Address of the Bank<br>• Bank Account Number and type<br>• 9 digit MICR Code Number; and<br>• 11 digit IFSC Code<br>• A scanned copy of the cancelled cheque bearing the name of the first shareholder. |
| **Demat Holding** | Please contact your Depository Participant (DP) and register your email address and bank account details in your Demat account, as per the process advised by your DP. |

# KYC FORM
## (Only for physical shareholding)

To,
**The Secretarial Department**
V B INDUSTRIES LIMITED
9, Old China Bazar Street
Room No. 85, 5th Floor
Kolkata -700 001

Date _____/_____/_____

Folio No. _____

No. of Shares _____

Dear Sir/ Madam,

We wish to update the KYC and in this matter are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below:

**A. For registering PAN of the registered and/ or joint shareholders (as applicable)**

☐ Registered shareholder ☐ Joint holder 1 ☐ Joint holder 2 ☐ Joint holder 3

Please attach self- attested legible copy of PAN card (exempted for Sikkim Shareholders).

**B. For registering Bank details of the registered shareholder**

**1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed**

☐ Aadhar/ Passport/ utility bill ☐ Original cancelled cheque leaf

**2. In cases wherein the original cancelled cheque leaf has the shareholder's name printed on it**

☐ Aadhar/ Passport/ Utility bill ☐ Original cancelled cheque ☐ Bank Passbook/ Bank Stmt

Please note that Bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

**C. For updating the Specimen Signature of the registered and/ or joint shareholders**

**1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed**

☐ Affidavit Banker verification ☐ Original cancelled cheque leaf

**2. In cases wherein cancelled cheque leaf does NOT contain the shareholder's name printed on it**

☐ Affidavit ☐ Bank verification ☐ Original cancelled cheque ☐ Bank Passbook/ Stmt.

Please note that Bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

**D. For Updating the email id for the purpose of receiving all communications in electronic mode**

_____

**E. For updating the Mobile No**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it

Sign:_____ Sign:_____ Sign:_____ Sign:_____

Registered holder Joint holder 1 Joint holder 2 Joint holder 3

## Directors' Report

To
The Members,
Your Directors have pleasure in presenting the 33rd Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2020.

(₹ in Lakh)

| Financial Results | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|---|---|
| Revenue for the year | **1148.48** | 59.16 |
| Profit/(Loss) before Tax (PBT) | **(459.02)** | 10.82 |
| Less: Finance Expenses | **0.00** | 0.00 |
| Profit/(Loss) before Depreciation/Amortization (PBDT) | **(459.02)** | 10.82 |
| Less: Depreciation | **1.02** | 1.10 |
| Net Profit/(Loss) before Taxation (PBT) | **(460.04)** | 9.72 |
| Less: Provision for Taxation (including Deferred Tax) | **(0.04)** | (0.06) |
| Add/(Less): Extra-ordinary Items (Excess Provisioning) | **(0.70)** | 0.00 |
| Profit/(Loss) after Tax & Extra-ordinary Items | **(459.29)** | 7.22 |
| Less: Provision for Dividend | **0.00** | 0.00 |
| Less: Transfer to General / Statutory Reserves | **0.00** | 0.00 |
| Profit/(Loss) available for Appropriation | **(459.29)** | 7.22 |
| Add: Profit/(Loss) brought forward from Previous Year | **90.39** | 83.18 |
| Balance of Profit/(Loss) carried forward | **(368.90)** | 90.39 |

### COVID-19

COVID-19 has been declared as a global pandemic. The Government of India has declared a complete lock-down since March 24, 2020 and the same is continuing with the minor exemptions; essential services were allowed to operate with limited capacity. Capital Market and Banking Services have been declared as essential services, and accordingly, the Company has been continuing the operations with minimum permitted staff. However, other employees were encouraged to work from home. All operations were smoothly ensured without any interruptions.

The coronavirus outbreak is a human tragedy, affecting hundreds of thousands of people, economies and businesses. A halt in the industrial activities due to the nationwide lockdown coupled with slowdown in the downstream products will lead to a decline in our revenues. Profitability will also get affected as the operating levels and fixed costs remain high.

### FINANCIAL HIGHLIGHTS

Total revenue for the year stood at ₹ 1148.48 lakh in comparison to last years' revenue of ₹ 59.16 lakh. In term of Profit before taxation, the Company has earned a Profit/(Loss) of ₹ (460.04) lakh in comparison to last years' Profit/(Loss) of ₹ 9.72 lakh. Profit/(Loss) after Tax and Extra-Ordinary Items stood at ₹ (459.29) lakh in comparison to last financial year's Profit/(Loss) of ₹ 7.22 lakh.

During the financial year, the Company, after doing all possible efforts, has failed to recover its' Loan to Corporate Clients and thus has written off ₹ 600.00 as Bad Debts due to non-recovery of Loan.

### DIVIDEND AND RESERVES

In view of Losses, your Directors do not propose any dividend for the year under review.

During the year under review ₹ Nil was transferred to General Reserves.

### SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was ₹ 13.108 Crore. During the year under review, the Company has not issued any share with differential voting rights; nor granted stock options nor sweat equity. As on March 31, 2020,

none of the Directors and/or Key Managerial Person of the Company hold instruments convertible in to Equity Shares of the Company.

## BUSINESS SEGMENT

Your Company is into the business of Finance & Investments in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

## PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## SUBSIDIARY COMPANY

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

## RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company. The requisite details under Form AOC-2 in Annexure III have been provided elsewhere in this Report. Suitable disclosure as required by the Accounting Standard (Ind-AS 24) has been made in the notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified by the Risk Assurance Department and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

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

The Company has put in place a mechanism for certifying the Related Party Transactions Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant Firm.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

## MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34(3) of the Listing Regulations, 2015 is provided in a separate section and forms part of the Directors' Report.

## CHANGE IN NATURE OF BUSINESS, IF ANY.

There are no changes in the nature of business in the financial year 2019-20.

## BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

## NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2019-20 are given in the separate section of Corporate Governance Report.

## BOARD COMMITTEES

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## MANAGEMENT

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

## DIRECTORS

During the year the Company has appointed Mr. Gwal Das Vyas (DIN: 01319377) as Executive Director of the Company to fill-up vacancy caused due to sad demise of its' then Managing Director Mr. Shyam Sundar Parasramka. Apart from the above, there is no change in the composition of Board.

The details of programme for familiarization of Independent Directors with the Company, nature of the business segments in which the Company operates and related matters are put up on the website of the Company

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

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

## INDEPENDENT DIRECTORS & KMPs

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 requirements of Regulation 25 of Listing Regulations, a person shall not serve as an independent director in more than seven listed entities: provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Further, independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

Independent Directors have confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

Neither there was a change in the composition of Board during the current financial nor was a change in the employees from KMP category, except as stated herein below.

## DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

| Sl. No. | Name | Designation | Date of Appointment | Date of Resignation |
|---|---|---|---|---|
| 1. | Mr. Gwal Das Vyas | Chairman & Managing Director | 29-10-2019 | - |
| 2. | Mr. Shyam Sundar Parasramka* | Chairman & Managing Director | - | 30-10-2019* |

*Office vacated due to sad demise of Managing Director

## DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their liability to discharge their duties. Based on the declaration received from Independent

Directors, the Board of Directors have confirmed that they meet the criteria of Independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and they are independent of the management.

## EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The Nomination and Remuneration Committee (NRC) of the Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and the Listing Regulations and based on policy devised by the NRC, the Board has carried out an annual performance evaluation of its own performance, its committees and individual directors. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board and information provided to the Board, etc.

The performance of the committees was evaluated by the Board of Directors based on inputs received from all the committee members after considering criteria such as composition and structure of committees, effectiveness of committee meetings, etc.

Pursuant to the Listing Regulations, performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

A separate meeting of the Independent Directors was also held for the evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, TRIBUNALS OR COURTS

Following are the details of Orders passed by Regulators, Tribunals or Courts –

- SEBI has vides its' interim order No. WTM/MPB/ISD/84/2017 dated November 9, 2017 for the forensic Audit of the Books of Accounts of the Company and the report of the Forensic Auditors in the matter is still awaited.
- The Shares of the Company have been placed under GSM Stage VI based vide Exchange notice no. 20170807-31 dated August 07, 2017 for non-payment of Listing Fees and shall continue to remain in GSM Stage VI until further directions.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of Financial Year and date of the report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors confirms that:

1. In the preparation of the annual accounts, for the year ended 31st March 2020, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
3. that the Directors have 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. that the Directors had prepared the annual accounts on a going concern basis;
5. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BUSINESS RISK MANAGEMENT

The Company is exposed to credit, liquidity and interest rate risk. On the other hand, investment in Stock Market, both in Quoted and Unquoted Shares, have the risk of change in the price and value, both in term of up and down and thus can affect the profitability of the Company.

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

Further, the Company is not required to constitute Risk Management Committee under Listing Regulations, 2015.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

## NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company i.e. www.vbindustriesltd.com

## INFORMATION TECHNOLOGY

Innovation and Technology are synonymous with the Company. The investment in technology acts as a catalyst and enables the Company to be innovative.

## AUDITORS

### Statutory Auditors

Messrs Mahato Prabir & Associates, Chartered Accountants, Kolkata (FRN - 325966E) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 32nd Annual General Meeting (AGM) of the Members held on September 30, 2019 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 25, 2019. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

There is no audit qualification, reservation or adverse remark for the year under review.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed Mr. Sanjay Kumar Vyas, Company Secretaries in Practice (C. P. No. 21598) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in the prescribed Form MR-3 is annexed in this Annual Report as Annexure II. The same does not contain any qualification, reservation or adverse remark, except as stated in said Report as appearing on Page No. 22 of the Annual Report.

In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Mr. Sanjay Kumar Vyas for the FY2019-20 has been submitted with stock exchanges.

**Internal Auditors**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s S. Gattani & Co., Chartered Accountant Firm, Kolkata (FRN - 326788E). The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Key Managerial Personnel are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2020 made under the provisions of Section 92(3) of the Act is attached as Annexure III to this report.

## DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, this is to certify and declare that there was no case of sexual harassment during the year under review. Neither there was a case pending at the opening of Financial Year, nor has the Company received any Complaint during the year.

## STATUTORY INFORMATION AND OTHER DISCLOSURES

Since the Company is into the business of financing and investment activities in Shares and Securities; the information regarding Conservation of Energy, Technology Absorption, Adoption and Innovation, as defined under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is reported to be NIL.

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure 'IV' and forms an integral part of this Report. A statement comprising the names of top employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 'V' and forms an integral part of this annual report. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136(1) of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

## BUSINESS RESPONSIBILITY REPORT

As the Company is not among top 500 or 1000 Companies by turnover on Stock Exchanges, the disclosure of Report under of Regulation 34(2) of the Listing Regulations is not applicable to the Company for the year under review.

## 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 deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

## MAINTENANCE OF COST RECORDS

The maintenance of cost records for the services rendered by the Company is not required pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014.

## AUDITORS REPORT

The Notes on Financial Statement referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer for the Financial Year 2019-20.

## REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees of Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

## REPORT ON CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## GENERAL

Your Directors state that during Financial Year 2019-20:

- The Company has not issued any Equity Shares with differential rights as to Dividend, Voting or otherwise.
- The Company has not issued any Sweat Equity Shares during the year.
- There are no significant or material orders passed against the Company by the Regulators or Courts of Tribunals during the year ended March 31, 2020 which would impact the going concern status of the Company and its future operations.

## CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

## 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 27, 2020

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

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

**Gwal Das Vyas**
DIN: 01319377
Managing Director

## Management Discussions & Analysis

### ANNUAL OVERVIEW AND OUTLOOK

It has been a challenging year with several macro headwinds encompassing Industrial, Infrastructure and Real estate market. Slow economic activity and Liquidity challenges impacted the overall demand scenario in the industry. During the year Government undertook certain initiatives like reduction of corporate tax rates, creating a separate corpus for stalled real-estate projects etc. which could have positive impact in the long run.

Later part of the year also witnessed an unprecedented outbreak of Corona Virus sending global economies into tizzy, impacting supply chain as well as consumer sentiment. Complete lockdown of the country was unparalleled to any disruption experienced in the past several decades. It is feared that COVID-19 would leave a deep cut in economy and corporate financials.

During the lockdown period the Company accorded paramount priority to Employee health and welfare and ensured that its commitment towards payment to the vendors and work force are duly met. With the help of technology, the respective teams were actively engaged with Customers and Vendors. This period was also utilized to impart trainings covering a wide range of topics related to Product and Processes.

Currently there is uncertainty on pace of recovery, but Management is making sure that the organization remains fully energized during the period and ready to bounce back on the next opportunity.

These disruptions impacted the performance of the Company for the year but still managed to secure industry level growth. The Management expects that these are short term challenges and continues to pursue its long term growth strategy. We are confident to lead the recovery in a shorter period in post pandemic phase and strive to sustain profitable growth.

### INDUSTRY OVERVIEW

The Indian financial services industry is vast and diverse consisting of Banks, NBFCs, Capital Market, Insurance Sector and the new Payment Bank. India's gross national savings (GDS) as a percentage of Gross Domestic Products (GDP) stood at 30.5% in 2019. With increasing financial penetration, the opportunity in India is very high especially in the rural areas for moving from physical savings to financial savings. With increasing internet penetration and financial literacy, the future growth prospectus of financial service industry in India is very high.

### OPPORTUNITIES & THREATS

#### Opportunities

The recent increase in market volatility provides great opportunities to invest its ideal money for a long term growth as well as to invest in right sector by analyzing core business model of companies, its business module as well as future growth prospectus. After a steep fall in stock market, it has rebounded significantly and has recovered at 50% of its lows which increases the confidence of investors in to the Stock Market. On the other hand the money lending business is providing great opportunity as there are so many takers in the money market to borrow money.

#### Threats

Currently the biggest threat is COVID 19 and its impact. It is expected that overall business will be severely affected.

**Some other threats may defined as under –**

- Sudden regulatory changes or increase in regulatory scrutiny/restrictions may affect the manner in which the current products or services are produced or delivered.
- With rapid change in technology and innovations, companies need to increase its attention towards innovative objectives alongside business growth objectives.
- Uncertainty in global market owing to slow growth in the advanced economies and increased strain in certain emerging economies can result in volatile capital inflows and currency fluctuations.

First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries specially India is able to control the COVID 19 Pandemic.

### RISKS AND CONCERNS

V B Industries Ltd. (VBIL) has exposures in various line of business. VBIL are exposed to specific risks that are particular to their respective businesses and the environments within which they operate, including market risk, competition risk,

credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks. The level and degree of each risk varies depending upon the nature of activity undertaken by them.

### MARKET RISK

The Company has quoted investments which are exposed to fluctuations in stock prices. VBIL continuously monitors market exposure in equity and, in appropriate cases, also uses various derivative instruments as a hedging mechanism to limit volatility.

### LIQUIDITY AND INTEREST RATE RISK

The Company is exposed to liquidity risk principally, because of lending and investment for periods which may differ from those of its funding sources. Management team actively manages asset liability positions in accordance with the overall guidelines laid down by various regulators. The Company may be impacted by volatility in interest rates in India which could cause its margins to decline and profitability to shrink. The success of the Company's business depends significantly on interest income from its operations. It is exposed to interest rate risk, both as a result of lending at fixed interest rates and for reset periods which may differ from those of its funding sources. Interest rates are highly sensitive to many factors beyond the Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and, inflation. As a result, interest rates in India have historically experienced a relatively high degree of volatility.

The Company seeks to match its interest rate positions of assets and liabilities to minimize interest rate risk. However, there can be no assurance that significant interest rate movements will not have an adverse effect on its financial position.

### HUMAN RESOURCE DEVELOPMENT

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2019-2020, 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.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provision of the Companies Act, 2013 relating to CSR Initiatives are not applicable to the Company.

### 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 continues 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.

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, June 27, 2020

By order of the Board
**For V B Industries Limited**

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

**Gwal Das Vyas**
DIN: 01319377
Managing Director

**Annexure – I**

## DETAILS OF RELATED PARTY TRANSACTIONS

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

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 1.34 of the Notes to Financial Statements.

No material related party transactions arising from contracts/ arrangements with related parties referred to in the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 in Annexure III have been provided elsewhere in this Report.

B. Disclosures pursuant to Regulation 34(3) & 53(f) and Para A of Schedule V of SEBI (LODR) Regulations, 2015

| Sl. No. | In the Account of | Disclosures of amount at the year end and the maximum amount of loans/advances/Investments outstanding during the year. | Amount (₹ in Lakh) |
|---|---|---|---|
| 1. | Holding Company | ○ Loans and advances in the nature of loans to subsidiaries by name and amount | Nil |
| | | ○ Loans and advances in the nature of loans to associates by name and amount | Nil |
| | | ○ Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount | Nil |
| 2. | Subsidiary | ○ Loans and advances in the nature of loans to subsidiaries by name and amount | Nil |
| | | ○ Loans and advances in the nature of loans to associates by name and amount | Nil |
| | | ○ Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount | Nil |
| 3. | Holding Company | ○ Investment by the loanee in the shares of parent Company and subsidiary Company has made a loan or advance in the nature of loan. | Nil |

Kolkata, June 27, 2020

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

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

**Gwal Das Vyas**
DIN: 01319377
Managing Director

**Annexure II**

**Secretarial Audit report of V B INDUSTRIES LIMITED**
**For the year ended 31st March 2020**

**FORM MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
V B Industries Limited
Kolkata

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by V B Industries Ltd. (hereinafter called as 'the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

vi. Rules, regulations and guidelines issued by the Reserve Bank of India as per Reserve Bank of India Act, 1934 and its circulars, Master circulars, notifications, to the extent as applicable to Non-Deposit taking Non-Banking Financial Companies.

vii. Prevention of Money Laundering Act, 2002 and its circulars, notifications.

viii. Anti-Money Laundering Regulation issued by RBI and various circulars and Guidelines thereunder.

ix. Employee Laws –

- The Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972
- The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
- The Employees State Insurance Act, 1948
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided thereunder

x. Acts as prescribed under Shop and Establishment Act of State and various local authorities.

xi. The Negotiable Instrument Act, 1881

xii. The Indian Stamp Act, 1899 and the State Stamp Acts

xiii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:-

i. Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

ii. Listing Agreements entered into by the Company with BSE Ltd. and Calcutta Stock Exchange Association Ltd. as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, directions, guidelines, standards, etc. mentioned above, **except as stated herein below** –

- *In violation of Regulation 14 of SEBI Exchange Regulations, Non-Payment of Listing Fees trading in the Shares of the company has been restricted (moved to GSM). The Company is yet to pay Listing Fees.*
- *SEBI has put the company under shell category and Forensic Audit has been conducted.*
- *Delay in Filling Quarterly Corporate Governance Report (Report to be file within 15 days of end of Quarter). Quarterly Corporate Governance Report for Quarter ended on 30th September 2019 was filled to Stock Exchange on 1st November 2019.*
- *Shyam Sundar Parasramka has not filed DIR-3KYC in respect to which the DIN of the Director has been deactivated due to non-filing of DIR-3 KYC.*

**Please refer management comments on above disqualifications/observations, at the end of Report.**

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including one woman director.

The Board of Directors is in conformity with the prevailing SEBI Regulations.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**S/d-**

**SANJAY KUMAR VYAS**
Practicing Company Secretaries
ACS No. 55689, C.P. No. 21598

Place: Kolkata
Date: August 6, 2020

**ANNEXURE - A**

To
The Members,
V B Industries Limited
Kolkata

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**S/d-**
**SANJAY KUMAR VYAS**
Practicing Company Secretaries
ACS No. 55689, C.P. No. 21598

Place: Kolkata
Date: August 6, 2020

**Management Comments on above disqualification or observations which are forming part of MR-3 Report:**

- In regard to delay in filing Quarterly Corporate Governance Report for QE Sept 2019, the delay was due to error in XBRL file generated and the same has been communicated to BSE. The BSE has delayed the reply. Further, upon receiving reply from BSE, the Company has immediately filed Corporate Governance Report for QE Sept 2019.
- Mr. Shyam Sundar Parasramka a deceased Director and is no more among the Board of Directors of the Company; and thus the disqualification of said Director does not affect the affairs of the Company.

**Annexure - III**

**Form No. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:
**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

| | | | |
|---|---|---|---|
| a) | Name(s) of the related party and nature of relationship | : | N.A. |
| b) | Nature of contracts/arrangements/transactions | : | N.A. |
| c) | Duration of the contracts / arrangements/transactions | : | N.A. |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | : | N.A. |
| e) | Justification for entering into such contracts or arrangements or transactions | : | N.A. |
| f) | Date(s) of approval by the Board | : | N.A. |
| g) | Amount paid as advances, if any | : | N.A. |
| h) | Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188 | : | N.A. |

2. Details of material contracts or arrangement or transactions at arm's length basis:

**NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT.**

(*As defined under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company.)

| | | | |
|---|---|---|---|
| a) | Name(s) of the related party and nature of relationship | : | N.A. |
| b) | Nature of contracts/arrangements/transactions | : | N.A. |
| c) | Duration of the contracts / arrangements/transactions | : | N.A. |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | : | N.A. |
| e) | Date(s) of approval by the Board | : | N.A. |
| f) | Amount paid as advances, if any | : | N.A. |

Kolkata, June 27, 2020

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

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

**Gwal Das Vyas**
DIN: 01319377
Managing Director

Annexure - IV

## EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT - 9**

| I. Registration & Other Details | |
|---|---|
| CIN | L51909WB1982PLC035222 |
| Registration Date | 27/08/1982 |
| Name of the Company | V B Industries Limited |
| Category / Sub-Category of the Company | Category : Company having Share Capital<br>Sub-Category : Indian Non-Government Company |
| Address of the Registered Office and contact details | 9, Old China Bazar Street, Room No. 85, 5th Floor<br>Kolkata -700 001<br>Tel : +91 33 2242 7270 |
| Whether listed company | Listed Company |
| Name, address and contact details of Registrar and Transfer Agent, if any | ABS Consultant Pvt. Ltd.<br>99, Stephen House, 6th Floor, 4, B.B.D. Bag (East),<br>Kolkata-700 001, Tel : +91 33-2230 1043 |

**II. Principal Business Activities of the Company**

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

| Name and Description of main Businesses | NIC Code of Business | % of Gross Turnover of the Company |
|---|---|---|
| Finance & Trading / Investment in Shares & Securities | 66110 | 100.00% |

**III. Details of Subsidiary / Associate / Holding Companies**

| Name & Address of Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
|---|---|---|---|---|
| Not Any | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)**

Category wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual / HUF | 117500 | - | 117500 | 0.90 | 117500 | - | 117500 | 0.90 | - |
| b) Central Govt. (s) | - | - | - | - | - | - | - | - | |
| c) State Govt. (s) | - | - | - | - | - | - | - | - | |
| d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e) Banks / FIs | - | - | - | - | - | - | - | - | |
| f) Any Other ..... | - | - | - | - | - | - | - | - | |
| **Sub Total A(1)** | **117500** | **-** | **117500** | **0.90** | **117500** | **-** | **117500** | **0.90** | **-** |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | |
| b) Other – Individuals | - | - | - | - | - | - | - | - | |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | |
| d) Banks / FIs | - | - | - | - | - | - | - | - | |
| e) Any Other ..... | - | - | - | - | - | - | - | - | |
| **Sub Total A(2)** | | | | | | | | | |
| **Total Shareholding of Promoters (A1) + (A2)** | **117500** | **-** | **117500** | **0.90** | **117500** | **-** | **117500** | **0.90** | **-** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | - | - | - | - | - | - | - | - | |
| a) Mutual Funds / UTI | - | - | - | - | - | - | - | - | |
| b) Banks / FI | - | - | - | - | - | - | - | - | |
| c) Central Govt. (s) | - | - | - | - | - | - | - | - | |
| d) State Govt. (s) | - | - | - | - | - | - | - | - | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | |
| f) Insurance Companies | - | - | - | - | - | - | - | - | |
| g) FIIs | - | - | - | - | - | - | - | - | |
| h) Foreign VC Funds | - | - | - | - | - | - | - | - | |
| i) Financial Inst./Bank | - | - | - | - | - | - | - | - | |
| **Sub Total B(1)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| **(2) Non-Institutions** | | | | | | | | | |
| **a) Bodies Corporate** | | | | | | | | | |
| i. Indians | 2023285 | 5000 | 2028285 | 15.50 | 1959292 | 507985 | 2467277 | 18.83 | 3.33 |
| ii. Overseas | | | | | - | - | - | - | |
| **b) Individuals** | | | | | | | | | |
| i. Individual Shareholders holding nominal share capital up to ₹ 2.00 lakh | 4457047 | 307090 | 4764137 | 36.35 | 4307013 | 554490 | 4861503 | 37.09 | 0.74 |
| ii. Individual Shareholders holding nominal share capital in excess of ₹ 2.00 lakh | 5524118 | 634985 | 6159103 | 46.99 | 5467745 | 155000 | 5622745 | 42.90 | 4.09 |
| **c) Others (Specify)** | | | | | | | | | |
| i. Trust | - | 35000 | 35000 | 0.27 | - | 35000 | 35000 | 0.27 | - |
| ii. NRI | 3925 | - | 3925 | 0.08 | 3925 | - | 3925 | 0.08 | - |
| iii. NBFC | | | | | - | - | - | - | |
| **Sub Total B(2)** | **12008375** | **982075** | **12990450** | **99.10** | **11737975** | **1252475** | **12990450** | **99.10** | **-** |
| **Total Public Shareholding B = B(1) + B(2)** | **12008375** | **982075** | **12990450** | **99.10** | **11737975** | **1252475** | **12990450** | **99.10** | **-** |
| **C. Shares held by Custodian for GDRs & ADRs** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| **Grand Total (A+B+C)** | **12125875** | **982075** | **13107950** | **100.00** | **11855475** | **1252475** | **13107950** | **100.00** | **-** |

**ii) Shareholding of Promoters**

| Shareholders Name | Shareholding at the beginning of the year | | | Shareholding during and at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | |
| Ram Prakash Chowdhary | 40000 | 0.31 | Nil | 40000 | 0.31 | Nil | - |
| Raj Kumar Sharma | 77500 | 0.59 | Nil | 77500 | 0.59 | Nil | - |

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

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Date of Changes | Reason for Changes |
|---|---|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company | | |
| At the beginning of the year | 117500 | 0.90 | | | Not Applicable | |
| At the end of the Year | | | 117500 | 0.90 | | |

**iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)**

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Date wise increase/ decrease in Shareholding | Cumulative Shareholding during and at the end of the year | |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | | No. of Shares | % of total shares of the Company |
| Smruti Sushilkumar Shinde | 500000 | 3.81 | No Change | 500000 | 3.81 |
| Brijdham Dealcom Pvt. Ltd. | - | - | Refer Note 1 below | 263155 | 2.01 |
| Mahipatray V Shah (HUF) | 250950 | 1..91 | No Change | 250950 | 1..91 |
| Ebrahim Nuruddin Mithiborwala | 248000 | 1.89 | No Change | 248000 | 1.89 |
| Artview Vintrade Private Limited | 244363 | 1.86 | No Change | 244363 | 1.86 |
| Narayan Suppliers Pvt.Ltd. | - | - | Refer Note 1 below | 233990 | 1.83 |
| Hiten Haridas Sachdev | 220000 | 1.68 | No Change | 220000 | 1.68 |
| Onceover Dealtrade Private Limited | 219749 | 1.68 | No Change | 219749 | 1.68 |
| Realstep Vinimay Private Limited | 213020 | 1.63 | No Change | 213020 | 1.63 |
| Lata Mahipatray Shah | 199970 | 1.53 | Refer Note 1 below | 200000 | 1.53 |

**Note 1**

The Equity Shares of the Company are frequently traded on BSE and the Company does not procure Beneficiary Positions (BENPOS) on daily basis form Depositories. Due to these reasons the Company is unable to provide details of date wise change in Shareholding of top 10 shareholders during the current financial year.

**v) Shareholding of Directors and Key Managerial Personnel**

| For Each of Directors & KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during and at the end of the year | |
|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| At the beginning of the year ..... | Nil | - | Nil | - |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | Not Applicable (As none of Director and Key Managerial Person was holding Shares in his name either at the beginning or at the end of year | | | |

## V. INDEBTEDNESS

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

| | Secured Loans Excluding deposits ₹ in Lakh | Unsecured Loans ₹ in Lakh | Deposits ₹ in Lakh | Total Indebtedness ₹ in Lakh |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | Nil | Nil | Nil | Nil |
| ii. Interest due but not Paid | Nil | Nil | Nil | Nil |
| iii. Interest Accrued but not due | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | Nil | Nil | Nil |
| • Reduction | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | Nil | Nil | Nil | Nil |
| ii. Interest due but not Paid | Nil | Nil | Nil | Nil |
| iii. Interest Accrued but not due | Nil | Nil | Nil | Nil |
| **Total (i+ii+iii)** | **Nil** | **Nil** | **Nil** | **Nil** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (in ₹)

| Sr. No. | Particulars of Remuneration | Shyam Sundar Parasramka (MD) | Gwal Das Vyas (MD) | Jagannath Pandit (CFO) | Payal Bafna, Company Secretary | Sangeeta Joshi (ID) |
|---|---|---|---|---|---|---|
| 1. | Gross Salary | 1,50,000/- | 1,00,000/- | 1,80,000/- | 3,16,164/- | 40,000/- |
| 2. | Value of Perquisites | Nil | Nil | Nil | Nil | Nil |
| 3. | Stock Options | Nil | Nil | Nil | Nil | Nil |
| 4. | Sweat Equity | Nil | Nil | Nil | Nil | Nil |
| 5. | Commission | Nil | Nil | Nil | Nil | Nil |
| 6. | Others (Please specify) | Nil | Nil | Nil | Nil | Nil |

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | No Instance | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | No Instance | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. Other Officers in Default** | | | | | |
| Penalty | No Instance | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Annexure –V**

**Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the Financial Year is as under:

| Sr. No. | Name of Director / KMP | Designation | Increase (%) | Ratio of Remuneration of each Director & KMP to Median Remuneration of Employees |
|---|---|---|---|---|
| 1. | Gwal Das Vyas | Managing Director & CEO | - | 0.65 |
| 2. | Shyam Sundar Parasramla | Managing Director & CEO | - | 0.97 |
| 3. | Viswa Vijayendra Prasad | Independent Director | - | - |
| 4. | Rajesh Banga | Independent Director | - | - |
| 5. | Sangeeta Joshi | Independent Director | - | 0.26 |
| 6. | Jagannath Pandit | CFO | - | 1.17 |
| 7. | Payal Bafna | Company Secretary & Compliance Officer | - | 1.23 |

1. No. of permanent employees on the rolls of the Company as on 31st March 2020 – 9 (Nine)
2. During the Financial Year 2019-20, there is 0.04% increase in the median remuneration of employees;
3. There was 15.36% increase in the salaries of managerial personnel in the financial year 2019-20.
4. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

## Annexure to the Directors' Report

### CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalizations, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sin-quo-nun of modern management.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter–Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- ✓ Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- ✓ Timely disclosure of material operational and financial information to the stakeholders;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- ✓ Systems and processes in place for internal control; and
- ✓ Proper business conduct by the Board, Senior Management and Employees.

### 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, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. Each of said Committee has been managed to operate within a given framework.

### BOARD OF DIRECTORS

#### Size & Composition of Directors

The Board has four 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.

The composition and category of the Board of Directors as at March 31, 2020, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

| Name | Designation | DIN | Date of Joining / Re-appointment | Committee Membership in all Listed Cos. | Committee Chairman-ship in all Listed Cos. | No. of Directorship in all Listed Cos. |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| Gwal Das Vyas* | Managing Director | 01319377 | 29th Oct 2019 | 4 | 2 | 3 |
| Viswa Vijayendra Prasad | Independent Director | 07310295 | 22nd Feb 2019 | 1 | 1 | 1 |
| Rajesh Banga | Independent Director | 07935656 | 22nd Feb 2019 | 1 | 1 | 1 |
| Sangeeta Joshi | Independent Director | 08098594 | 29th Mar 2018 | 2 | 0 | 2 |

*Chairman of the Board

**Notes:**

a. None of the directors hold directorships in more than twenty companies of which directorship in public companies does not exceed ten in line with the provisions of Section 165 of the Act.

b. None of the directors hold membership of more than ten committees of board, nor, is a chairman of more than five committees across board of all listed entities.

c. No director holds directorship in more than seven listed entities.

d. None of the independent director holds the position of the independent director in more than seven listed companies as required under the Listing Regulations.

e. None of the director has been appointed as an Alternate Director for Independent Director.

f. The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of the Listing Regulations: (i) Audit Committee; and (ii) Stakeholders Relationship Committee.

g. The committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.

h. None of Directors are related with each other.

**The Chairman and Managing Director**

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a successful organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- Provide leadership to the Board and preside over all Board and General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company`s strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

**Non-Executive Directors (including Independent Directors)** play a critical role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- Impart balance to the Board by providing independent judgment.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements.

**Disclosure of relationships between Directors inter-se**

None of the Directors are related with each other and does not have any pecuniary relationship with each other.

**Number of Shares and Convertible Instruments held by Non-Executive Directors**

None of the Non-Executive Directors holds any share in the Company.

**Role of the Company Secretary in Governance Process**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and

senior management for effective decision making at the meetings. The Company Secretary is primarily responsible, to assist the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

**Board Independence**

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and to meet with requirements of Regulation 16(b) of Listing Regulations. Further, none of the Independent Director is serving more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and draft of the same has been disclosed on website of the Company.

**Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's calls the meeting as pre requirements of prevailing Act.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

**Roles, Responsibilities and Duties of the Board**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

**Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part "A" of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

**Post Meeting Mechanism**

The important decisions taken at the Board/Committee meetings are communicated to the concerned department/s and/or division.

**Board Support**

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

**Board diversity policy**

The Company has a Board approved policy on Board diversity. The objective of the policy is to ensure that the Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition, as at present, broadly meets with the above objective.

**Familiarization Programme for Independent Directors**

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company.` The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, requirements of Listing Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its services, business and the on-going events relating to the Company.

Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of the letter of appointment is available on Company website.

**Details of Board Meetings**

The Board of Directors met 7 times on 6th April, 29th May, 13th August, 31st October, 1st November and 13th November in year 2019 and on 13th February in the year 2020 during the financial year 2019-2020.

Attendance of Board of Directors at the Board Meeting and at the last Annual General Meeting:

| Name | Designation | Attendance at the AGM | Meetings Attended |
|---|---|---|---|
| Shyam Sundar Parasramka@ | Chairman & Managing Director | Yes | 3 |
| Gwal Das Vyas* | Chairman & Managing Director | N.A. | 4 |
| Viswa Vijayendra Prasad | Independent Director | Yes | 7 |
| Rajesh Banga | Independent Director | Yes | 7 |
| Sangeeta Joshi | Independent Director | Yes | 7 |

*Chairman of the Board w.e.f. 29th October 2019; @Resigned due to sad demise w.e.f. 30th October 2019

## COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has three Board Level Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee

## AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, review compliance with regulation 9A of the SEBI PIT Regulations, etc.

## TERMS OF REFERENCE

The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee inter alia performs the functions to:

1. Review with the Company's Chief Financial Officer ('CFO'), the preparation, execution and results of the Company's annual internal audit work program;
2. Review the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
3. Review with the management, performance of statutory and internal auditors and review of adequacy of the internal control systems;
4. Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
5. Discussion with internal auditors on any significant findings and follow up thereon;
6. Recommend appointment of Statutory, Internal and Cost Auditors and their remuneration;

7. Look after the risk assessment including fraud risk and risk guidelines governing the risk management process;
8. Review the management discussion and analysis of financial condition and results of operations;
9. Review statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
10. Review the internal audit reports relating to internal control weaknesses;
11. Scrutinize inter-corporate loans and investments;
12. Review the functioning of the Whistle blower mechanism; and
13. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with reference to events which were regarded as UPSI, whether such UPSI were shared in the manner expected, instances of leaks, if any, instance of breaches of the Code, efficiency of sensitization process, etc. at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

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.

## FUNCTIONS OF AUDIT COMMITTEE

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site www.vbindustriesltd.com and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

## INTERNAL CONTROLS AND GOVERNANCE PROCESSES

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

### Constitution and Meetings of Audit Committee

The Audit Committee was re-constituted w.e.f. 1st November 2019 wherein Mr. Gwal Das Vyas as appointed as member of the Committee in place of Mr. Shyam Sundar Parasramka, due to his sad demise.

The members of Audit Committee met four times on 29th May, 13th August and 13th November in year 2019 and on 13th February in year 2020 during the financial year ended on 31st March 2020.

| Name | Position | Number of Meetings Held | Meetings Attended |
|---|---|---|---|
| Mr. Viswa Vijayendra Prasad | Chairman | 4 | 4 |
| Mr. Rajesh Banga | Member | 4 | 4 |
| Shyam Sundar Parasramka | Member | 2 | 2 |
| Mr. Gwal Das Vyas | Member | 2 | 2 |

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Non-Executive Directors. All members of the Nomination and Remuneration Committee are financially literate and they have accounting or related financial management expertise.

The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

**Terms of Reference**

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, which are as follows:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board):
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**PRINCIPLE AND RATIONALE**

Section 178 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to –

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- carry out evaluation of every director's performance - formulate the criteria for evaluation of Independent Directors and the Board

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of V B Industries Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

**Criteria of selection of Non-Executive Directors**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of accounting, finance, taxation, law etc. However Women Director is exempted from said criteria.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director –
  a. Qualification, expertise and experience of the Directors in their respective fields;
  b. Personal, Professional or business standing;
  c. Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**Remuneration**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CEO & Managing Director – Criteria for selection / appointment**

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**Remuneration for the CEO & Managing Director**

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is paid by way of salary, allowances, perquisites, amenities and retirement benefits.

**General**

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

**PERFORMANCE EVALUATION**

In terms of regulation 19 read with Schedule II to the Listing Regulations, the Company has framed a policy stipulating the criteria for evaluation of directors and the Board. In light of SEBI's Guidance Note dated 5 January 2017 on Board Evaluation, the Nomination and Remuneration Committee (NRC) and Board of Directors have revised the policy containing criteria for performance evaluation.

In view of the amendments to section 178(2) of the Act, the Board of Directors of the Company, at its meeting held on 14 February 2020, had approved the evaluation of the performance of Board, its Committees, the Chairperson and individual directors to be carried out by the Board only and would not be duplicated by the NRC. The NRC will only review its implementation and compliance.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and individual directors.

**Constitution and Meetings of Nomination & Remuneration Committee**

The members of Nomination & Remuneration Committee met twice on 6th April 2019 and on 1st November 2019 during the financial year ended on 31st March 2020.

| Name | Position | Number of Meetings Held | Meetings Attended |
|---|---|---|---|
| Mr. Rajesh Banga | Chairman | 2 | 2 |
| Mr. Viswa Vijayendra Prasad | Member | 2 | 2 |
| Mrs. Sangeeta Joshi | Member | 2 | 2 |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI LODR Regulations 2015, read with Section 178 of the Act and rules made thereunder.

**Terms of Reference**

The Board approved 'Terms of Reference' of the Committee of Directors (Stakeholders Relationship Committee) in compliance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. This Committee generally meets once a month. The Committee looks into the matters of Shareholders/Investors grievances along with other matters listed below:

1. to consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. to consider and approve demat/ remat of shares / split / consolidation / sub-division of share / debenture certificates;
3. to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transposition of names, deletion of names transfer and transmission of securities, etc.;
4. to oversee and review all matters connected with the transfer of the Company's securities;
5. to consider and approve opening/modification of operation and closing of bank accounts;
6. to grant special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi- Government Institutions;
7. to fix record date/book closure of share/debenture transfer book of the Company from time to time;
8. to appoint representatives to attend the General Meeting of other companies in which the Company is holding securities;
9. to change the signatories for availing of various facilities from Banks/Financial Institution;
10. to grant authority to execute and sign foreign exchange contracts and derivative transactions;
11. to monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
12. to review measures taken for effective exercise of voting rights by shareholders;
13. to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
14. to review of the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
15. to assist the Board in reviewing and implementing policies under the Business Responsibility Reporting of the Company as may be delegated by the Board;
16. to carry out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Companies Act, 2013 and other applicable laws as amended from time to time; and
17. to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry (India) Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Committee of Directors (Stakeholders Relationship Committee) Meetings are circulated to the Board and noted by the Board of Directors.

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 updated telephone numbers and e-mail addresses to facilitate prompt action.

**Compliance Officer**

The Company has appointed Ms. Payal Bafna, Company Secretary as a Compliance Officer within the meaning of requirements of Regulation 6 of Listing Regulations.

**Constitution and Meetings of Stakeholders' Relationship Committee**

During the year, one meetings of the Stakeholders' Relationship Committee were held on 13th February 2020 during the financial year 2019-2020.

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

| Name | Position | Category | Meetings Attended |
|---|---|---|---|
| Mr. Rajesh Banga | Chairman | Independent, Non-Executive | 1 |
| Mr. Viswa Vijayendra Prasad | Member | Independent, Non-Executive | 1 |
| Mrs. Sangeeta Joshi | Member | Independent, Non-Executive | 1 |

**SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):**

The investors' complaints are also being processed through the centralized web based complaint redressal system. The salient features of SCORES are availability of centralized data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

**DETAILS OF SHAREHOLDERS' COMPLAINTS**

There was Nil Complaint pending at the beginning of the Financial Year. During the year the Company did not receive any legitimate compliant from any of the shareholders. Further, there was no pending complaint at the close of the financial year.

During the financial year, the Company has received several emails asking about the reason for fall in the price of Company's Equity Shares in Stock Market, whether the Company is willing to buy the shares held by Investors etc. The Company has suitably replied these queries as the performance of stock market or price of shares are determined by the investors themselves on the plate form of stock exchanges and the Company has no intervention in the same. In regard to purchase of shares from investors by the company, the Company will inform to both Stock Exchanges and Investors; as and when the decision of buy-back will be taken by the Board.

As required under Regulation 40(9) of Listing Regulations, 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 vbindustries1@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

**Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 19, 2020, inter alia, to discuss:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluate and assess the key transactions (including related party transactions) undertaken since the last independent directors meeting, and the assessment of the performance of the same;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties;
- Recommend measures for corporate governance; and
- Review recommendation from the last Independent Directors meeting.

All the Independent Directors were present at the Meeting.

**GENERAL BODY MEETINGS**

Location & time for the last three Annual General Meetings:

| Annual General Meeting | Date & Time | Venue |
|---|---|---|

| | | |
|---|---|---|
| 32nd Annual General Meeting | 30th September 2019, 2.00 PM | "Palki", Narayanpur Main Road, Partha Nagori Bus Stop, Near Lalkuthi, Kolkata - 700 136 |
| 31st Annual General Meeting | 29th September 2018, 2.00 PM | --- Same as above -- |
| 30th Annual General Meeting | 24th September 2017, 11.30 AM | 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001. |

## LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS:

No Extra-Ordinary General Meetings were held during last three financial years.

## POSTAL BALLOT

On January 6, 2018, the following businesses have been transacted via Postal Ballot Rules, as Ordinary Resolutions –

- Appointment of M/s. B S Kedia & Co. (FRN: 317159E) Chartered Accountants, Kolkata as Statutory Auditors of the Company for a period of 5 Years; up to 35th Annual General Meeting.
- Appointment of Mr. Shyam Sundar Parasramka as Chairman & Managing Director of the Company for a period of 3 years; up to 33rd Annual General Meeting.

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

## SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

A Special Resolution was passed in the 32nd Annual General Meeting held on 30th Sept 2019 seeking shareholders' approval for alteration in Memorandum of Association, to insert new business line i.e. the business of Hotels & Restaurants in India or Globally and to carry said business independently, by entering into Partnership or by way of Joint Venture.

The Company did not proposed or passed any Special Resolution during remaining two out of last three Annual General Meetings.

## BOARD DISCLOSURES

### Compliance with Governance Framework

The Company is in compliance with all mandatory requirements under Listing Regulations, 2015.

## STRICTURES AND PENALTIES

SEBI vides its order dated October 5, 2018, has re-confirmed the previous order dated November 9, 2017 for Forensic Audit or Books of Accounts and Records of the Company as well as restrictions imposed on Promoters and Directors of the Company.

Apart from above, no strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets activities during the last three years.

## DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is examined periodically by the Board and the Audit Committee.

## DETAILS OF UTILISATION

During the year, the Company has not raised any funds through preferential allotment, right issue or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

## SEBI / STOCK EXCHANGE COMPLIANCE

The Company has failed to pay Annual Listing Fees for FY 2019-20 which is in violation of Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Apart from above instance, the Company has complied with all requirements of the Listing Agreement entered into with Stock Exchanges and also SEBI Listing Regulations. Consequently there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

## PREVENTION OF INSIDER TRADING

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("the PIT Regulations").

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations. A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the PIT Regulations.

The Company has formulated the 'Policy on Procedure of Inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information' ('UPSI'). The policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the policy is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the Insider Trading Regulations. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI.

The Company has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Practices and Procedures for Fair Disclosure of UPSI as per the requirements of the Insider Trading Regulations. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct. The Board, designated persons and other connected persons have affirmed compliance with the Code. This Code is displayed on the Company's website.

## CREDIT RATINGS

During the year under review, the Company has not borrowed any money and has not raised any funds. Hence, disclosure pertaining to utilization of funds and Credit Rating is not applicable.

### Compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance specified in Regulation 17 to 27 of Listing Regulations and of sub-regulation (2) of Regulation 46 of Listing Regulations have been complied with.

### Compliance of Regulation 34(3) and Para F of Schedule V of the Listing Regulations

As per Regulation 34(3) and Para F of Schedule V of the Listing Regulations, the details in respect of equity shares lying in Unclaimed Suspense Account' were/are Nil.

## DISCLOSURES

(a) There were no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

(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, 2015 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. Further, we affirm that no personnel have been denied access to the Audit Committee.

(d) **Reconciliation of Share Capital Audit**: As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter

and the report thereon is submitted to the Stock Exchanges where the company's shares are Listed the audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website www.vbindustriesltd.com

## CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations. The Board of Directors, at its meeting held on 14 February 2019, revised whistle blower policy containing, inter alia, leak or suspected leak of unpublished price sensitive information in view of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (SEBI PIT Regulations). The policy/vigil mechanism enables directors and employees to report to the Management their concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

This mechanism provides safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy has been appropriately communicated to the employees within the Organization and has also been hosted on the Company's website www.vbindustriesltd.com.

## COMPLIANCES REGARDING INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information ('code of fair disclosure').

During the year under review, SEBI amended the SEBI PIT Regulations. In view of the amendments to the said Regulations, the Board of Directors, at its meeting held on 14 February 2019, inter alia approved the following, with effect from 1 April 2019:

a. Revised code of conduct to regulate, monitor and report trading by Designated Persons;

b. Revised code of practices and procedures for fair disclosure of unpublished price sensitive information;

c. Revised whistle blower policy;

d. Institutional mechanism for prevention of insider trading; and

e. Amendment to the terms of reference of the Audit Committee.

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

## COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Bengali) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's Website- www.vbindustriesltd.com.

- Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. In case of CSE, the Company use to file these documents by way of email.
- The Company also informs by way of intimation to BSE and CSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- In compliance with Listing Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE are filed electronically on BSE's on-line portal. In regard to CSE, documents are filed with Exchange by email. The Company has complied with filing submissions through BSE's BSE Online Portal.
- A separate dedicated section under 'Investors Relation' on the Company's website gives information on unclaimed dividends (if any), Notice to Board meeting, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.
- Sections 20 and 136 of the Act, read with the Companies (Accounts) Rules, 2014 permit companies to deliver the documents electronically to the registered email IDs of the members.

## DISCLOSURES ON MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the Listing Regulations.

## DISCLOSURES ON DISCRETIONARY REQUIREMENTS

The Company has also complied with the discretionary requirements as under:

### A. The Board

A Chairman's office has been made available for the non–executive Chairman and he is allowed reimbursement of expenses incurred in performance of his duties.

### B. Shareholder rights

The Company communicates all material events to its shareholders as and when it occurs.

### C. Modified opinion(s) in the audit report

The Company confirms that its financial statements are with unmodified audit opinion.

### D. Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

## DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

## 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 33rd Annual General Meeting for the financial year ended on 31st March 2020 will be held on Friday, September 25, 2020 at 2.30 PM (IST), through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

**b. Book Closure** : 19th September 2020 to 25th September 2020 (both days inclusive)

c. **Listing of Shares :** : BSE & CSE

d. **Stock Code & ISIN** : BSE – 539123, CSE - 10032008
ISIN – INE334E01017 on both NSDL & CDSL.

**e. Listing Fees**

Annual listing fee for the year 2020-21 shall be paid in due course by the Company to the Stock Exchanges.

As per the BSE Limited (BSE), BSE has extended the due date of payment for the Annual Listing Fees for FY 2020-21 up to 30th June 2020.

**f. Payment of Depository Fees**

Annual custody/ issuer fee for the year 2020-21 shall be paid in due course by the Company to NSDL and CDSL.

**g. Financial Year**

The financial year of the Company is from April 1 to March 31 each year.

**h. Website**

The Company's website www.vbindustriesltd.com contains a separate dedicated section called 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results, annual reports, dividends declared, if any, any price sensitive information disclosed to the regulatory authorities from time to time and the services rendered / facilities extended to our investors.

**i. Future Calendar for next financial year :**

| Subject Matter | Tentative Dates |
|---|---|
| Financial Reporting of 1st Quarter ended on 30th June 2020 | Mid of August, 2020 |
| Financial Reporting of 2nd Quarter ended on 30th September 2020 | Mid of November, 2020 |
| Financial Reporting of 3rd Quarter ended on 31st December 2020 | Mid of February 2021 |
| Financial Reporting of 4th Quarter ended on 31st March 2021 | During May 2021 |
| Date of Annual General Meeting | During September 2021 |

j. **Dividend Payment Date** : No Dividend has been recommended for the year under review.

**k. Dividend History** : The Company has not paid any Dividend during last 10 years.

**l. Unclaimed Dividend / Share Certificates :**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125.

**Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2020:

| Sr. No. | Year of Declaration of Dividend | Date of Declaration of Dividend | Unclaimed Amount ₹ | Due Date for transfer to IEPF Account |
|---|---|---|---|---|
| 1. | Not Any | Not Any | Nil | N.A. |

Further, as required to be disclosed under Regulation 34(3) read with Schedule V of Listing Regulations, Nil Shares are lying at the beginning or at the close of financial year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account during the current financial year.

**m. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

The Company has Nil Shares of ₹ 10/- each in respect of Nil Shareholders, lying into Nil folio, in the demat account held with NSDL/CDSL.

**n. Market Price Data :**

| Month | Price on BSE (₹) & Volume | | | S&P BSE SENSEX | |
|---|---|---|---|---|---|
| | High | Low | Volume | High | Low |
| April 2019 | 6.84 | 4.45 | 920 | 39487.45 | 38460.25 |
| May 2019 | 4.37 | 3.36 | 500 | 40124.96 | 36956.10 |
| June 2019 | 3.30 | 2.41 | 4,125 | 40312.07 | 38870.96 |
| July 2019 | 2.37 | 1.76 | 2,444 | 40032.41 | 37128.26 |
| August 2019 | 1.73 | 1.49 | 1,972 | 37807.55 | 36102.35 |
| September 2019 | 1.47 | 1.33 | 35,195 | 39441.12 | 35987.80 |
| October 2019 | 1.31 | 1.25 | 526 | 40392.22 | 37415.83 |
| November 2019 | 1.25 | 0.93 | 23,511 | 41163.79 | 40014.23 |
| December 2019 | 0.93 | 0.85 | 15,683 | 41809.96 | 40135.37 |
| January 2020 | 0.86 | 0.82 | 1,503 | 42273.87 | 40476.55 |
| February 2020 | 0.86 | 0.78 | 44,911 | 41709.30 | 38219.97 |
| March 2020 | - | - | - | 39083.17 | 25638.90 |

**o. Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company**

Shareholders/ Investors are requested to forward documents related to share transfer, dematerialization requests (through their respective Depository Participant) and other related correspondences directly to ABS Consultant Private Limited at the below mentioned address for speedy response.

**p. Registrar & Share Transfer Agent**

M/s. ABS Consultant Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. 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 Consultant Pvt. Ltd.**
99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001
Phone - +91 33-2230 1043, Fax - +91 33-22430153, E-Mail: absconsultant99@gmail.com

**q. Consolidation of Folios and avoidance of multiple mailing**

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars and Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**r. Review of Governance Practices**

We have in this Report attempted to present the governance practices and principles being followed at the Company, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance, so as to meet the expectations of all our stakeholders.

**s. Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

**t. Distribution of Shareholding as on 31st March 2020**

| No. of Equity Shares | No. of Share Holders | % of Share Holders | Total No. of Shares Held | % of Share Holding |
|---|---|---|---|---|
| 1-500 | 3040 | 68.75 | 510367 | 3.89 |
| 501-1000 | 512 | 11.58 | 422992 | 3.23 |
| 1001-2000 | 255 | 5.77 | 400240 | 3.05 |
| 2001-3000 | 113 | 2.56 | 302924 | 2.31 |
| 3001-4000 | 72 | 1.63 | 265463 | 2.03 |
| 4001-5000 | 93 | 2.10 | 444233 | 3.39 |
| 5001-10000 | 149 | 3.37 | 1267096 | 9.67 |

| | | | | |
|---|---|---|---|---|
| 10001 and Above | 188 | 4.25 | 9494635 | 72.43 |
| **Total....** | **4422** | **100.00** | **13107950** | **100.00** |

**u. Shareholding Pattern as on 31st March 2020**

| Categories | No. of Shares | % of Shareholding |
|---|---|---|
| Promoters, Directors, Relatives & PAC | 117500 | 0.90 |
| Indian Bank | 0 | 0.00 |
| Mutual Funds / UTI / Financial Institutions | 0 | 0.00 |
| Trust | 35000 | 0.27 |
| Non-Resident Indians | 3925 | 0.03 |
| NBFC registered with RBI | 0 | 0.00 |
| Bodies Corporate | 2467277 | 18.83 |
| Indian Public | 10484248 | 79.99 |
| **Total .....** | **13107950** | **100.00** |

**v. Details of Shareholders holding more than 5% holding under Public Category**

No Investor is holding more than 5% of Issued, Subscribed and Paid-up Capital of the Company at the end of Financial Year ended on 31st March 2020.

**w. Dematerialization of Equity 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.

As on 31st March 2020, 90.36% public shareholdings of the Company are in dematerialized form.

**Procedures for dematerialization of Equity Shares:**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

a) Demat account should be opened with a Depository Participant (DP).
b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is ABS Consultant Private Limited.
e) RTA will process the DRF and confirm or reject the request to DP/ depositories
f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

**x. Important Points**

Investors should hold securities in dematerialised form, as transfer of shares in physical form is no longer permissible.

As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

Members are advised to dematerialise securities in the Company to facilitate transfer of securities.

Holding securities in dematerialized form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities thus reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;

- Easier transmission of securities as the same is done by DPs for all securities in demat account;
- Automatic credit in to demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- Convenient method of consolidation of folios/accounts;
- Holding investments in Equity, Debt Instruments, Govt. securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and ease in monitoring of portfolio.

**Members holding Shares in Physical mode:**

a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / RTA, if not registered with the Company as mandated by SEBI.

b) are advised to register the nomination in respect of their shareholding in the Company. 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.

c) are requested to register / update their e-mail address with the Company / RTA for receiving all communications from the Company electronically.

**Members holding Shares in Electronic mode:**

a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.

b) are advised to contact their respective DPs for registering the nomination.

c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

*The Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRSD / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:*

a) The relaxation shall only be available for transfers executed after January 1, 2016.

b) The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.

c) The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the NRI status.

d) Non-Resident Indian members are requested to inform ABS Consultant Private Limited, Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

**y. Electronic Payment Services**

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;
- Fraudulent encashment of warrants is avoided;
- Exposure to delays / loss in postal service avoided; and
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's Registrar and Transfer Agent (RTA) for incorporation on their dividend warrants.

**z. Register for SMS alert facility**

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

**aa. Intimate Mobile Number**

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's RTA viz. ABS Consultant Private Limited to their dedicated e-mail id i.e., "absconsultant99@gmail.com.", if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

**bb. Submit Nomination Form and avoid Transmission hassle**

Nomination helps nominees to get the shares transmitted in their favor without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case shares are held in dematerialised form.

Form may be downloaded from the Company's website, under the section 'Investor Relations'. However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

**cc. Deal only with SEBI registered intermediaries**

Investors should deal only with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

**dd. Corporate benefits in electronic form**

Investor holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger / etc. in electronic form by providing their demat account details to the Company's RTA.

**ee. Register e-mail address**

Investors should register their e-mail address with the RTA / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

**ff. Facility for a Basic Services Demat Account (BSDA)**

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000; and (b) Annual Maintenance charges not exceeding ₹ 100/- for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer circular CIR/MRD/ DP/22/2012 dated August 27, 2012 and circular CIR/MRD/ DP/20/2015 dated December 11, 2015).

**gg. 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).

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

Not any.

**ii. Commodity Price Risk / Foreign Exchange Risk**

Your Company does not deal into any of commodity and hence and is not directly exposed to any commodity price risk.

Similarly, the Company does not enter into any Foreign Exchange transactions and hence is not directly exposed to any Foreign Exchange Risk.

**jj. Investors' Correspondence**

| Compliance Officer | RTA | Correspondence Office |
|---|---|---|
| Ms. Payal Bafna<br>Company Secretary & Compliance Officer<br>Tel : +91 33 22427270<br>Email : vbindustries1@gmail.com | ABS Consultant Private Limited<br>99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002<br>Tel : +91 33 2230 1043<br>Email: absconsultant99@gmail.com | 9, Old China Bazar Street, 5th Floor, Room No. 85, Kolkata-700 001<br>Tel : +91 33 22427270<br>Email : vbindustries1@gmail.com;<br>Website : www.vbindustriesltd.com |

**kk. 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.

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
V B Industries Limited
Kolkata

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of V B Industries Limited having CIN: L51909WB1982PLC035222 and having Registered Office at 9, Old China Bazar Street, 5th Floor, Room No. 85, Kolkata-700 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment | Date of Cessation |
|---|---|---|---|---|
| 1. | Gwal Das Vyas | 01319377 | 29th Oct 2019 | - |
| 2. | Viswa Vijayendra Prasad | 07310295 | 22nd Feb 2019 | - |
| 3. | Rajesh Banga | 07935656 | 22nd Feb 2019 | - |
| 4. | Sangeeta Joshi | 08098594 | 29th March 2018 | - |

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

S/d-
**SANJAY KUMAR VYAS**
Practicing
Company Secretaries
ACS No. 55689, C.P. No. 21598

Place: Kolkata
Date: August 6, 2020

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## ANNUAL CERTIFICATE UNDER REGULATION 26 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of **V B INDUSTRIES LIMITED**

As provided under Regulation 26 (3) of the SEBI Listing Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with M/s. V B Industries Limited Code of Business Conduct and Ethics for the year ended March 31, 2020.

For **V B INDUSTRIES LIMITED**

S/d-
**Gwal Das Vyas**
DIN : 01319377
Managing Director

Kolkata, June 27, 2020

## CEO / CFO Certification

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of V B Industries Limited ("the Company") to the best of our knowledge and belief certify that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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) We further state that 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 we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee -

(i) significant changes, if any, in internal control over financial reporting during the year;

(ii) significant changes, if any, 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 LIMITED**
S/d-
**Jagannath Pandit**
Chief Financial Officer

Kolkata, June 27, 2020

**For V B INDUSTRIES LIMITED**
S/d-
**Gwal Das Vyas**
DIN : 01319377
Managing Director
Kolkata, June 27, 2020

## Compliance Certificate from Auditors on Corporate Governance

The Members of **V B Industries Limited**

1. This certificate is issued in accordance with the terms of our engagement letter with the Company. We have examined the compliance of conditions of corporate governance by **V B Industries Limited** (the 'Company') for the year ended 31st March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchanges.

**Management's Responsibility**

2. The compliance of conditions of corporate governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 and 3 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31,2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31,2020:

      a) Board of Directors;

      b) Audit Committee;

      c) Annual General Meeting (AGM)

      d) Nomination and Remuneration Committee;

      e) Stakeholders Relationship Committee;

   v. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   vi. Obtained necessary declarations from the directors of the Company.

vii. Obtained and read the policy adopted by the Company for related party transactions.

viii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

**Other Matters**

10. The following are the details of actions taken against the Company, its Promoters, Directors, either by the SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various Circulars) under the aforesaid Acts/Regulations and Circulars/Guidelines issued there under -

- The Shares of the Company are placed under GSM Stage VI based on SEBI direction vide Exchange by BSE vides its' Notice no. 20190903-37 dated Sept 09, 2019, and shall continue to remain in GSM Stage VI until further directions.
- The Company has failed to pay Annual Listing Fees for FY 2019-20 and thus the shares of the Company have been suspended for trading by BSE.

**Restriction on Use**

11. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Mahato Prabir & Associates**
Chartered Accountants
ICAI Registration No. 325966E

Place: Kolkata
Date: June 27, 2020

**CA Prabir Mahato**
Partner
M. No. 060238

## Independent Auditors' Report for the year ended 31st March 2020

**To the Members of V B Industries Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of V B Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone Ind AS financial statements, for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Sr. No. | Key Audit Matter |
|---|---|
| 1. | On account of prevalent financial, economic and health crises caused due to global pandemic – COVID-19, having impact the assumptions used for the continuity of operations. |
| **Auditor's Response** | |
| | As a part of our audit we have, carried out the following procedures:<br>Obtained an understanding of the process and testing the operating effectiveness of internal controls over the impairment and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows. |
| 2. | **Key Audit Matter** |
| | **Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates**<br>Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.<br>Refer Notes to the Standalone Financial Statements. |

| | |
|---|---|
| **Auditor's Response** | |
| | **Principal Audit Procedures**<br>Our audit approach was a combination of test of internal controls and substantive procedures which included the following :<br>o Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.<br>o Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.<br>o Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.<br>o Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.<br>o Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. |
| 3. | **Key Audit Matter** |
| | **Evaluation of uncertain tax positions**<br>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.<br>Refer Notes to the Standalone Financial Statements |
| **Auditor's Response** | |
| | **Principal Audit Procedures**<br>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 1.38 to the standalone Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

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

**For Mahato Prabir & Associates**
Chartered Accountants
ICAI Registration No. 325966E

Place: Kolkata
Date: June 27, 2020

**CA Prabir Mahato**
Partner
M. No. 060238

## Annexure "1" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of V B Industries Limited of even date)

i. **In respect of its fixed assets:**

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

ii. **In respect of its inventory:**

a) As explained to us, the inventory of shares is physically verified at the end of the year by the Management.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

iii. The Company has not granted any loan, as covered in the register maintained under section 189 of the Companies Act, 2013 in respect of which

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c) There is no overdue amount remaining outstanding as at the year-end.

iv. The Company has not granted loans or made investment or given any guarantee or security as covered in the provisions of section 185 and 186 of the Companies Act, 2013 therefore, Clause (IV) of the order is not applicable to the company.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. As informed to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Service Tax and other material statutory dues applicable to it, with the appropriate authorities.

b) According to the information and explanations given to us, no disputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six month from the date of becoming payable.

c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, duty of customs, duty of excise or value added tax, which have not been deposited on account of any dispute, are as follows:

| Name of the Statue | Nature of Dues | Disputed Amount | Financial Year for which it relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 3,17,969/- | 2014-15 | Income Tax Appeal |

d) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, TDS, Service Tax and Cess which have not been deposited on account of any dispute.

viii. The Company has not taken loan from any financial institution or bank therefore, Clause 3 (viii) of the order is not applicable to the company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. Based on the Audit procedures performed for the purpose of reporting the true and fair view of financial statements and according to the information and explanations provided to us, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V of the Act.

xii. In our opinion, the Company is not a nidhi company. Therefore the provisions of Clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given to us, transactions with related parties are in compliances with section 177 and 188 of the Act where applicable and details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, and on overall examination of Balance Sheet, the Company has not made any Preferential Allotment or private placement of Shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company, and not commented upon.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has to obtain the registration certificate from RBI.

**For Mahato Prabir & Associates**
Chartered Accountants
ICAI Registration No. 325966E

**CA Prabir Mahato**
Partner
M. No. 060238

Place: Kolkata
Date: June 27, 2020

## Annexure "2" to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of V B Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of V B INDUSTRIES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mahato Prabir & Associates**
Chartered Accountants
ICAI Registration No. 325966E

**CA Prabir Mahato**
Partner
M. No. 060238

Place: Kolkata
Date: June 27, 2020

## BALANCE SHEET AS AT 31st MARCH, 2020

| PARTICULARS | Note No. | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | | ₹ | ₹ |
| **NON- CURRENT ASSETS** | | | |
| **FIXED ASSETS** | | | |
| Tangible Assets | 2.1 | 33,432 | 50,145 |
| Other Non- Current Assets | 2.2 | 77,400 | 1,62,816 |
| | | **1,10,832** | **2,12,961** |
| **CURRENT ASSETS** | | | |
| Inventories | 2.3 | 1,37,44,000 | 1,41,34,000 |
| Trade Receivable | 2.4 | 24,05,02,040 | 30,00,49,040 |
| Cash and Cash Equivalents | 2.5 | 2,59,228 | 43,56,415 |
| Short-Term Loans and Advances | 2.6 | 73,04,44,502 | 73,66,84,217 |
| Other Currents Assets | 2.7 | 14,03,191 | 10,20,302 |
| | | **98,63,52,961** | **1,05,62,43,974** |
| **TOTAL .....** | | **98,64,63,793** | **1,05,64,56,935** |
| **EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' FUNDS** | | | |
| Equity Share Capital | 2.8 | 13,10,79,500 | 13,10,79,500 |
| Other Equity | 2.9 | 82,14,26,231 | 86,73,55,565 |
| | | **95,25,05,731** | **99,84,35,065** |
| **NON-CURRENT LIABILITIES** | | | |
| Deferred Tax Liabilities | | 25,474 | 29,450 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade Payable | 2.10 | 3,24,00,000 | - |
| Other Current Liabilities | 2.11 | 15,32,588 | 5,77,35,407 |
| Short Term Provision | 2.12 | - | 2,57,013 |
| | | **3,39,32,589** | **5,79,92,420** |
| **TOTAL .....** | | **98,64,63,793** | **1,05,64,56,935** |
| Significant Accounting Policies & Notes to Accounts | 1 | | |

As per our Report of Even date

**For Mahato Prabir & Associates**

Chartered Accountants

FRN- 325966E

**CA Prabir Mahato**

Partner

Membership No: 060238

Place: Kolkata

Date: June 27, 2020

**For & on behalf of the Board**

| | |
|---|---|
| **Gwal Das Vyas** | **Sangeeta Joshi** |
| **Managing Director** | **Director** |
| (DIN: 01319377) | (DIN:08098594) |
| **Payal Bafna** | **Jagannath Pandit** |
| **Company Secretary** | **CFO** |

Place: Kolkata

Date: June 27, 2020

## Statement of Profit & Losss for the Year ended 31st March, 2020

| PARTICULARS | Note No. | Year Ended 31st March 2020 ₹ | Year Ended 31st March 2019 ₹ |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 2.13 | 9,72,67,000 | - |
| Other Income | 2.14 | 1,72,81,372 | 59,15,778 |
| **TOTAL INCOME** | | **11,45,48,372** | **59,15,778** |
| | | | |
| **EXPENSES** | | | |
| Change of Stock in Trade | 2.15 | 9,76,57,000 | 3,15,000 |
| Finance Cost | | - | - |
| Employee Cost | 2.16 | 14,52,968 | 15,24,008 |
| Other Expenses | 2.17 | 6,13,39,956 | 29,94,199 |
| Depreciation & Amortization Expenses | 2.18 | 1,02,129 | 1,10,206 |
| **TOTAL EXPENSES** | | **16,05,52,053** | **49,43,413** |
| | | | |
| **PROFIT BEFORE TAXATION** | | -4,60,03,681 | 9,72,365 |
| Extraordinary Items | | - | - |
| | | **-4,60,03,681** | **9,72,365** |
| **TAX EXPENSES** | 2.19 | | |
| Current Tax | | - | 2,57,013 |
| Deferred Tax Assets | | -3,976 | -6,168 |
| **NET PROFIT FOR THE YEAR** | | **-4,59,99,705** | **7,21,520** |
| **Earnings Per Equity Share:** | 2.20 | | |
| Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each) | | -3.51 | 0.06 |
| Significant Accounting Policies & Notes to Accounts | 1 | | |

As per our Report of Even date

**For Mahato Prabir & Associates**

Chartered Accountants

FRN- 325966E

**CA Prabir Mahato**

Partner

Membership No: 060238

Place: Kolkata

Date: June 27, 2020

**For & on behalf of the Board**

| | |
|---|---|
| **Gwal Das Vyas** | **Sangeeta Joshi** |
| **Managing Director** | **Director** |
| (DIN: 01319377) | (DIN:08098594) |
| **Payal Bafna** | **Jagannath Pandit** |
| **Company Secretary** | **CFO** |
| Place: Kolkata | |
| Date: June 27, 2020 | |

## Statement of Cash Flow Annexed to the Balance Sheet for the Year Ended 31st March, 2020

In ₹

| | Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | ***Net Profit before Tax and Extra-Ordinary Items*** | -4,60,03,681 | 9,72,365 |
| | ***Adjustments for*** | | |
| | Interest Received | 1,72,80,115 | 59,15,778 |
| | Dividend Received | 1,257 | - |
| | Depreciation & Amortization Expenses | 16,713 | 25,068 |
| | ***Operating Profit before Working Capital changes*** | **-2,87,05,596** | **69,13,211** |
| | **Adjustments for Working Capital Changes** | | |
| | Decrease / (Increase) Investments | - | - |
| | Decrease / (Increase) Loans & Advances | 62,39,715 | -1,89,57,046 |
| | Decrease / (Increase) Trade Receivable | 5,95,47,000 | 56,90,86,461 |
| | Decrease / (Increase) in Inventories | 3,90,000 | 3,15,000 |
| | Decrease / (Increase) in other Current Assets | -3,82,889 | 66,004 |
| | Increase/(Decrease) in Other Current Liabilities and Provisions | -2,40,59,832 | -54,96,99,821 |
| | ***Cash Generated from Operations*** | **4,17,33,994** | **8,10,598** |
| | Income Tax Provision for the Year | - | 2,57,013 |
| | Extra-Ordinary Items | 70,371 | - |
| | Deferred Tax Assets | - | - |
| | ***Net Cash From Operating Activities*** | **1,30,98,769** | **74,66,796** |
| B. | **Cash Flow From Investing Activities** | | |
| | Decrease / (Increase) in Fixed Assets | - | - |
| | Deferred Revenue Expenditure | - | - |
| | Interest Income | -1,72,80,115 | -59,15,778 |
| | Dividend Received | -1,257 | - |
| | ***Net Cash from Investing Activities*** | **-1,72,81,372** | **-59,15,778** |
| C. | **Cash Flow From Financing Activities** | | |
| | Deferred Revenue Expenditure Written Off | 77,400 | 77,400 |
| | Miscellaneous Expenditure Written Off | 8,016 | 7,738 |
| | **Net Cash used in Financing Activities** | **85,416** | **85,138** |
| | ***Net Increase in Cash & Cash Equivalents (A+B+C)*** | **-40,97,187** | **16,36,156** |
| | Opening Balance of Cash & Cash Equivalents | 43,56,415 | 27,20,259 |
| | Closing Balance of Cash & Cash Equivalents | 2,59,228 | 43,56,415 |

Significant Accounting Policies & Notes to Accounts 1

As per our Report of Even date

**For Mahato Prabir & Associates**
Chartered Accountants
FRN- 325966E

**CA Prabir Mahato**
Partner
Membership No: 060238

Place: Kolkata

**For & on behalf of the Board**

**Gwal Das Vyas**
**Managing Director**
(DIN: 01319377)

**Sangeeta Joshi**
**Director**
(DIN:08098594)

**Payal Bafna**
**Company Secretary**

**Jagannath Pandit**
**CFO**

Place: Kolkata

(All amounts in ₹ except share data and unless otherwise stated)

**Notes to the financial statements for the year ended 31st March 2020**

**BRIEF PROFILE**

The company is incorporated on 27th August 1982 at Kolkata, West Bengal, India. It is a Public limited company by its shares. The company is into the business of Finance and Investments. The activities of the company includes financing, investing in shares & other securities, Commodities and other related activities of capital market.

The Registered Office of the Company is situated at 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability.

### 1.2 Basis of preparation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

### 1.3 Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to zero decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

### 1.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

Income from arbitrage comprises profit / loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following:

i. Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

ii. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

iii. Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Company statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

iv. Profit / loss on sale of securities are determined based on the FIFO cost of the securities sold.

v. Profit / loss on FNO Segment and Commodity transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Commodity Spot Trading/ Currency Futures and or Equity Index / Stock Options / Currency Options, which are released on final settlement / squaring-up of underlying contracts, are disclosed under "Other current assets". Mark-to-market margin-Equity Index / Stock Futures / Currency Futures representing the amounts paid in respect of mark to market margin is disclosed under "Other current assets".

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option, before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealized Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity / Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

vi. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

**1.5 Intangible Assets:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in profit or loss when the asset is derecognized.

**1.6 Impairment of Tangible and Intangible Assets other than Goodwill**

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of an individual asset, at the higher of the net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

**1.7 Employee Benefits:**

i. Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii. Post-employment benefits:

a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

iii. Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv. Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

**1.8 Financial Instruments:**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

**1.9 Write off:**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**1.10 Impairment:**

The Company recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

**Credit-impaired Financial Assets**

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if

corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

**1.11 Cash and Bank balances:**

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

**1.12 Securities premium account:**

i. **Securities Premium includes:**

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

ii. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

**1.13 Borrowing Costs:**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**1.14 Accounting and reporting of information for Operating Segments:**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

**1.15 Foreign Currencies:**

i. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

ii. In currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

iii. Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows –

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

**1.16 Taxation:**

**Current Tax:**

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

**Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilized tax credits will get realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

**1.17 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised only when:

i. an Company entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

**1.18 Statement of Cash Flows:**

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealized gains and losses; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

**1.19 Earnings Per Share:**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Computation of EPS for Current and previous financial year –

| Particulars | 31st March 2020 | 31st March 2019 |
|---|---|---|
| Net profit/(loss) for the year as per Statement of Profit and Loss (₹) | (4,59,99,705) | 7,21,520 |
| Weighted Average number of equity shares for calculating Basic EPS | 13107950 | 13107950 |
| Weighted Average number of equity shares for calculating Diluted EPS | 13107950 | 13107950 |
| Face value per Share (₹) | 10.00 | 10.00 |
| Basic & Diluted EPS | (3.51) | 0.06 |

**1.20 Key source of estimation:**

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**1.21 Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):**

On March 30, 2020, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

a) Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments

b) Ind AS 19— Employee benefits

c) Ind AS 23 – Borrowing costs

d) Ind AS 28— investment in associates and joint ventures

e) Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements

f) Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

**1.22 Inventories**

The company has converted its investments into its stock-in-trade on the first date of the financial year. The inventories have been valued at the method prescribed in the Accounting Standards.

**1.23 Other Income Recognition**

Interest on Loan is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is accounted for when the right to receive the payment is established.

**1.24 Purchases**

Purchase is recognized on passing of ownership in share based on broker's purchase note.

**1.25 Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

**1.26 Investments**

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Investments are classified into current and long-term investments.

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

**1.27 Related Parties**

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:

i. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);

ii. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

iii. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;

iv. Key management personnel (KMP) and relatives of such personnel; and

v. Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence.

**1.28 Stock In Trade**

Shares are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of Shares.

Units of Mutual Funds are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

**1.29 Fair value of Financial Assets and Financial Liabilities**

**(₹) in Lakh**

| Sr. No. | Particulars | Fair Value Hierarchy | Note No. | as at 31st March , 2020 | | as at 31st March , 2019 | |
|---|---|---|---|---|---|---|---|
| | | | | Carrying Value | Fair Value | Carrying Value | Fair Value |
| I | **Financial Assets** | | | | | | |
| (a) | **At Fair Value** :-<br>- Equity, Investment and unquoted Shares | | A | 141.34 | 137.44 | 144.49 | 141.34 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **(b)** | **At Amortised Cost** | | | | | | |
| | - Trade Receivables | | | 2405.02 | 2405.02 | 3000.49 | 3000.49 |
| | - Loans, Security Deposit and Others | | B | 7304.45 | 7304.45 | 7366.84 | 7366.84 |
| | - Cash and Cash Equivalents | | | 2.51 | 2.51 | 37.99 | 37.99 |
| | - Other Bank Balances | | | 0.09 | 0.09 | 5.58 | 5.58 |
| | - Other Financial Assets | | | 14.03 | 14.03 | 10.20 | 10.20 |
| | **Total Financial Assets** | | | | **9863.53** | | **10562.44** |
| **II** | **Financial Liabilities** | | | | | | |
| **(a)** | **At Amortised Cost** | | | | | | |
| | - Borrowings | | | - | - | - | - |
| | - Trade Payables | | B | 324.00 | 324.00 | - | - |
| | - Other Financial Liabilities | | | 15.33 | 15.33 | 577.35 | 577.35 |
| | - Short term provision | | | - | - | 2.57 | 2.57 |
| | **Total Financial Liabilities** | | | | **339.33** | | **579.92** |

The fair value of financial assets and liabilities are included at the amount at which instruments could be exchanged in a current transaction between the willing parties. The following methods and assumptions were used to estimate the fair value:

i. The Company has opted to fair value its unquoted equity instruments at its Net Asset Value through Retained Earnings.

ii. The fair values of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Company has adopted Effective Interest Rate Method (EIR) for fair valuation of long term borrowings.

**1.30 Fair Value Hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**1.31 Financial Risk Management Objectives and Policies:**

The Company's activities are exposed to a variety of Financial Risks from its Operations. The key financial risks include Market risk, Credit risk and Liquidity risk.

**i. Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk, foreign currency risk, Interest rate risk and other price risk such as Equity price risk and Commodity Price risk.

**ii. Foreign Currency Risk:**

There are no Foreign Currency transactions during the financial year.

**iii. Foreign Currency Sensitivity:**

There are no Foreign Currency transactions during the financial year.

**iv. Credit Risk:**

Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

**v. Trade Receivables:**

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss and the same, if any, is provided as per its respective customer's credit risk as on the reporting date.

**vi. Liquidity Risk:**

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

**1.32 Summary of Significant Accounting Policies General**

- Contingent Liabilities & Commitments - Nil
- Additional Information disclosed as per Part II of the Companies Act, 2013 – Nil

**1.33 Segment Reporting –**

The company is primarily engaged in the single business of trading in shares and securities and there is no reportable secondary segment i.e. geographical segment. Hence, the disclosure requirement of Accounting Standard-17 "Segment Reporting" as notified by Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.

**1.34 Disclosure of Related Party Transactions:**

Wholly owned Subsidiary : Not Any

**Company under same Management :**

| Name of Related Party |
|---|
| Prime Capital Market Limited |
| Scan Infrastructure Limited |

**Companies in which Directors / relatives of Directors are interested and details of transactions with Related Parties:**

| Name of Related Party | Nature of Transaction | Value ₹ in Lakh) |
|---|---|---|
| Prime Capital Market Limited | Payment of Advances | 9.80 |
| Scan Infrastructure Limited | Purchase of Shares | 324.00 |

**List of Related Parties & their Relations & details of Key Managerial Person:**

| Name | Nature of Relation | Transaction Value (₹) |
|---|---|---|
| Mr. Shyam Sundar Parasramka | Managing Director (up to 30th Oct 2019) | 1,80,000 |
| Mr. Gwal Das Vyas | Managing Director (w.e.f. 29th Oct 2019) | 1,00,000 |
| Mrs. Sangeeta Joshi | Independent Director | 40,000 |
| Mr. Jagannath Pandit | Chief Financial Officer | 1,80,000 |
| Ms. Payal Bafna | Company Secretary & Compliance Officer | 3,16,164 |

**1.35 Details of Loans given, Investments made, guarantees given covered under Section 186(4) of The Companies Act, 2013**

**₹ in Lakh**

| Sr. No | Name of Party | Rate of Interest | Tenure | Purpose | Amount (₹) | Amount of Repayment |
|---|---|---|---|---|---|---|
| 1 | Smart Tie-up Private Limited | 12% | on Demand | Business | 76.01 | - |
| 2 | Dolphin Finance Private Limited | 12% | on Demand | Business | 1.62 | - |
| 3 | Shree Ganesh Developers | 12% | on Demand | Business | 363.52 | 313.52 |
| 4 | Shakti Dealtrade Private Limited | 9% | on Demand | Business | 182.89 | - |
| 5 | Suresh Kr. Moud | 12% | on Demand | Business | 14.67 | - |
| 6 | Fine Health Private Limited | 12% | on Demand | Business | 326.95 | 12.00 |
| 7 | Glaze Packages Private Limited | 12% | on Demand | Business | 80.56 | - |
| 8 | Eos Infrastructure Private Limited | 10% | on Demand | Business | 21.61 | - |
| 9 | JSR Industries Private Limited | 12% | on Demand | Business | 21.61 | - |
| 10 | Ratanlal Jivraj | 10% | on Demand | Business | 113.43 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| 11 | Vinayak Developers | 9% | on Demand | Business | 64.48 | - |
| 12 | Ashok Bothra | 9% | on Demand | Business | 19.05 | - |
| 13 | Privy Capital Private Limited | 10% | on Demand | Business | 8.68 | - |
| 14 | Rajesh Agarwal, HUF | 10% | on Demand | Business | 15.32 | - |
| 15 | Zarmin Tradelink Private Limited | 10% | on Demand | Business | 22.59 | - |
| 16 | Akarshi Jaiswal | 10% | on Demand | Business | 10.44 | - |
| 17 | Avinash Anumolu | 10% | on Demand | Business | 255.81 | - |
| 18 | Press Well Vessel Private Limited | 10% | on Demand | Business | 54.37 | 0.31 |
| 19 | Rajiv Kumar Bansal | 10% | on Demand | Business | 619.33 | - |
| 20 | Chanchal Bafna | 10% | on Demand | Business | 38.56 | 0.77 |
| 21 | Dipika Bafna | 10% | on Demand | Business | 103.81 | 21.23 |
| 22 | IHC Infra Builtech Private Limited | 10% | on Demand | Business | 55.33 | 50.00 |
| 23 | M B Investment | 10% | on Demand | Business | 90.88 | - |
| 24 | Himanshu Dugar | 10% | on Demand | Business | 21.69 | 0.03 |
| 25 | Bhikam Chand | 10% | on Demand | Business | 77.44 | - |
| 26 | Surya Developers | 10% | on Demand | Business | 172.22 | 64.04 |
| 27 | Sana Construction | 10% | on Demand | Business | 0.59 | 0.59 |

### 1.36 Remuneration to Auditors

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| Remuneration to Auditors for Audit purpose ₹ | **59,000** | 59,000 |

1.37 There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 1.38 Other Notes to Accounts

i. In the opinion of the management, current assets, loans and advances and other receivables are approximately of the value stated, if realized in the ordinary course of business. The provisions of all known liability are ascertained.

ii. Previous year figures have been restated to confirm the classification of the current year.

iii. Balances of Sundry Debtors, Unsecured Loans, and Sundry Creditors are Loans & Advances are subject to reconciliation, since conformations have not been received from them. Necessary entries will be passed on receipt of the same if required.

iv. The company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS-15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Statement of Profit & Loss.

**For Mahato Prabir & Associates**
Chartered Accountants
Firm Registration No. 325966E

**CA Prabir Mahato**
Partner
M. No. F060238

Place: Kolkata
Date: June 27, 2020

**For & on behalf of the Board of Directors**

S/d-
**Gwal Das Vyas**
**Director**
DIN : 01319377

S/d-
**Sangeeta Joshi**
**Director**
DIN : 08098594

S/d-
**Jagannath Pandit**
**Chief Financial Officer**

S/d-
**Payal Bafna**
**Company Secretary**

## Note 2.1: Fixed Assets

| | | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | Rate of Depreciation | Cost as on April 1, 2019 | Additions During the Year | Deductions for the Year | Cost as on 31st March 2020 | Up to 31st March 2020 | For the Year | Up to 31st March 2020 | As on 31st March 2020 | As on 31st March 2019 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Computer | 33.33% | 2,27,675 | - | - | 2,27,675 | 1,77,530 | 16,713 | 1,94,243 | 33,432 | 50,145 |
| **Total ...** | | **2,27,675** | **-** | **-** | **2,27,675** | **1,77,530** | **16,713** | **1,94,243** | **33,432** | **50,145** |
| Previous Year | | 1,90,000 | - | | 2,27,675 | 1,52,462 | 25,068 | 1,77,530 | 50,145 | - |

## Notes forming part of the Financial Statements for the Year ended March 31, 2020

### Note 2.2 OTHER NON- CURRENT ASSETS

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| | ₹ | ₹ |
| **(Unsecured, Considered Goods)** | | |
| Deferred Revenue Expenditure | 77,400 | 1,54,800 |
| Miscellaneous Expenses | - | 8,016 |
| **Total** | **77,400** | **1,62,816** |

### Note No 2.3 INVENTORIES

| Particulars | No. of Shares | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | | ₹ | ₹ |
| ***Taken at Market Price or at Cost whichever is lower*** | | | |
| **(1) IN FULLY PAID-UP EQUITY SHARES (QUOTED)** | | | |
| PS IT Infrastructure & Services Ltd | 20,000 | 3,64,000 | 7,54,000 |
| Denim Developers Limited | 8,22,900 | 19,31,000 | 19,31,000 |
| **TOTAL ...(1)** | | **22,95,000** | **26,85,000** |
| **(2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)** | | | |
| Bahar Merchants Private Limited | 1,74,700 | 17,47,000 | 17,47,000 |
| D B Vyapar Private Limited | 1,28,600 | 90,02,000 | 90,02,000 |
| Popular Tradecom Private Limited | 70,000 | 7,00,000 | 7,00,000 |
| **TOTAL ...(2)** | | **1,14,49,000** | **1,14,49,000** |
| **Grand Total (1+2) .....** | | **1,37,44,000** | **1,41,34,000** |

### Note 2.4 TRADE RECEIVABLE

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| | ₹ | ₹ |
| **(Unsecured, Considered Goods)** | | |
| Outstanding for a period of more than 6 months | 24,05,02,040 | 2,40,50,240 |
| Other Debts | - | - |
| **Total** | **24,05,02,040** | **2,40,50,240** |

### Note 2.5 CASH & CASH EQUIVALENT

| | | |
|---|---|---|
| **Balances with Banks** | | |
| In Current Accounts | 2,50,698 | 37,98,890 |
| Cash in hand | 8,530 | 5,57,525 |
| **Total** | **2,59,228** | **43,56,415** |

### Note 2.6 SHORT-TERM LOANS & ADVANCES

| | | |
|---|---|---|
| **(Unsecured, Considered Goods)** | | |
| Loans & Advances to others | 73,04,44,502 | 73,66,84,217 |
| **Total** | **73,04,44,502** | **73,66,84,217** |

**Note 2.7 OTHER CURRENT ASSETS**

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| | ₹ | ₹ |
| **(Unsecured, Considered Good)** | | |
| Income Tax | 3,68,300 | 3,68,300 |
| Tax Deducted at Source | 10,34,891 | 6,52,002 |
| **Total** | **14,03,191** | **10,20,302** |

**Note 2.7 EQUITY SHARE CAPITAL**

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| **Authorised** | | | | |
| Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-) | 1,40,00,000 | 14,00,00,000 | 1,40,00,000 | 14,00,00,000 |
| | | | | |
| **Issued, Subscribed & Paid Up:** | | | | |
| Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-) | 1,31,07,950 | 13,10,79,500 | 1,31,07,950 | 13,10,79,500 |
| | | | | |
| **Reconciliation of number of Shares** | | | | |
| Shares outstanding at the beginning of the year | 1,31,07,950 | 13,10,79,500 | 1,31,07,950 | 13,10,79,500 |
| Add: Further issue of Shares | - | - | - | - |
| **Shares outstanding at the end of the year** | 1,31,07,950 | 13,10,79,500 | 1,31,07,950 | 13,10,79,500 |

**Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Members of the Company holding Equity Share Capital therein have a right to vote, on every resolution placed fore the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the forthcoming Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Details of Shareholders Holding more than 5% in the Aggregate Share Capital of the Company**

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | |
|---|---|---|---|---|
| | Number of Shares | Percentage of Holdings | Number of Shares | Percentage of Holdings |
| Not Any | - | - | - | - |

| Note 2.9 OTHER EQUITY | | |
|---|---|---|
| Particulars | As at 31st March 2020 | As at 31st March 2019 |
| | ₹ | ₹ |
| **Securities Premium Account** | | |
| Opening Balances | 85,82,60,400 | 85,82,60,400 |
| Add : Addition for the year | - | - |
| **Balances at the end of Year .....** | **85,82,60,400** | **85,82,60,400** |
| | | |
| **General Reserves** | | |
| Opening Balances | 55,952 | 55,952 |
| Add : Transfer from Statement of Profit & Loss | - | - |
| **Balances at the end of Year .....** | **55,952** | **55,952** |
| | | |
| **Surplus in Statement of Profit & Loss** | | |
| Opening Balances | 90,39,213 | 83,17,694 |
| Add: Adjustments for Previous Year | 67,888 | - |
| Add: Excess Provision for Previous Year | 2,483 | - |
| Add: Net Profit.(Loss) for the Year | -4,59,99,705 | 7,21,520 |
| **Balances at the end of Year .....** | **(3,68,90,121)** | **90,39,213** |
| **Grand Total** | **82,14,26,231** | **86,73,55,565** |

| Note 2.10 TRADE PAYABLE | | |
|---|---|---|
| Dues of Creditors Other than Micro Enterprises And Small Enterprises | 3,24,00,000 | - |
| **Total** | **3,24,00,000** | **-** |

| Note 2.11 OTHER CURRENT LIABILITIES | | |
|---|---|---|
| Provision for Expenses | 15,32,588 | 14,36,407 |
| Trade Advances Received | - | 5,62,99,000 |
| **Total** | **15,32,588** | **5,77,35,407** |

| Note 2.12 SHORT-TERM PROVISIONS | | |
|---|---|---|
| Provision for Income Tax | - | 2,57,013 |
| **Total** | **-** | **2,57,013** |

| Note 2.13 REVENUE FROM OPERATIONS | | | |
|---|---|---|---|
| Particulars | | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
| | | ₹ | ₹ |
| Sale of Shares | | 9,72,67,000 | - |
| | Total | 9,72,67,000 | - |
| | | | |
| **Note 2.14 OTHER INCOME** | | | |
| Interest on Loan | | 1,72,80,115 | 59,15,778 |
| Dividend Received | | 1,257 | - |
| | Total | 1,72,81,372 | 59,15,778 |
| | | | |
| **Note 2.15 CHANGES IN STOCK IN TRADE** | | | |
| Opening Stock (Transfer from Investments) | | 1,41,34,000 | 1,44,49,000 |
| Add : Purchases during the Year | | 9,72,67,000 | - |
| Less: Closing Stock | | 1,37,44,000 | 1,41,34,000 |
| | Total | 9,76,57,000 | 3,15,000 |
| | | | |
| **Note 2.16 PAYMENTS & PERQUISITES TO EMPLOYEES** | | | |
| Salaries to Staff | | 14,42,298 | 14,41,712 |
| Staff Welfare Expenses | | 10,670 | 82,296 |
| | Total | 14,52,968 | 15,24,008 |

**Note 2.17 OTHER EXPENSES**

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Auditor Remunaraton | 59,000 | 59,000 |
| Accounting charges | 28,000 | 39,000 |
| Advertisements | 29,632 | 64,780 |
| Bank Charges | 588 | 588 |
| Board Meeting & AGM Expenses | 20,725 | 25,670 |
| Conveyance & Travelling Exp. | 38,912 | 1,40,869 |
| Demat Charges | 1,252 | 1,234 |
| Depository Fees | 1,32,160 | 84,783 |
| ROC Filing Fees | 24,400 | 7,800 |
| Listing &Other Expenses to Stock Exchanges | 3,89,400 | 2,95,000 |
| Certification Expenses | 21,250 | 10,000 |
| General Expenses | 45,209 | 86,136 |
| Secretarial Audit Fees | 10,000 | 10,000 |
| Postage & Courier Charges | 17,700 | 17,650 |
| Internal Audit fee | 10,000 | 7,500 |
| Office Maintenance Charges | 17,537 | 1,29,753 |
| Office Rent | 84,000 | 84,000 |
| Printing & Stationery | 42,379 | 60,385 |
| Legal & Professional Fees | 2,93,000 | 18,00,000 |
| Share Transfer Fees | 70,130 | 53,336 |
| Bad Debts Written Off | 6,00,00,000 | - |
| Telephone charges | 4,682 | 16,715 |
| **Total ....** | **6,13,39,956** | **29,94,199** |

**Note 2.18 DEPRECIATION & AMORTIZATION EXPENSES**

| | | |
|---|---|---|
| Depreciation for the Year | 16,713 | 25,068 |
| Deferred Revenue Expenditure Written Off | 77,400 | 77,400 |
| Preliminary Expenses Written Off | 8,016 | 7,738 |
| **Total ....** | **1,02,129** | **1,10,206** |

**Note 2.19 TAX EXPENSES**

| | | |
|---|---|---|
| Income Tax | - | 2,57,013 |
| Deferred Tax | -3,976 | -6,168 |
| **Total ....** | **-3,976** | **2,50,845** |

**Note 2.20 EARNINGS PER SHARE**

| | | |
|---|---|---|
| Net Profit after Tax as per statement of profit and loss attributable to Equity Shareholders | -4,59,99,507 | 7,21,520 |
| Number of Equity Shares used as denominator for calculating EPS | 1,31,07,950 | 1,31,07,950 |
| Basic & Diluted Earnings Per Share | -3.51 | 0.06 |
| Face Value of Equity Shares | 10.00 | 10.00 |