

**DIRECTOR'S REPORT TO THE MEMBERS**

Dear Shareholders,

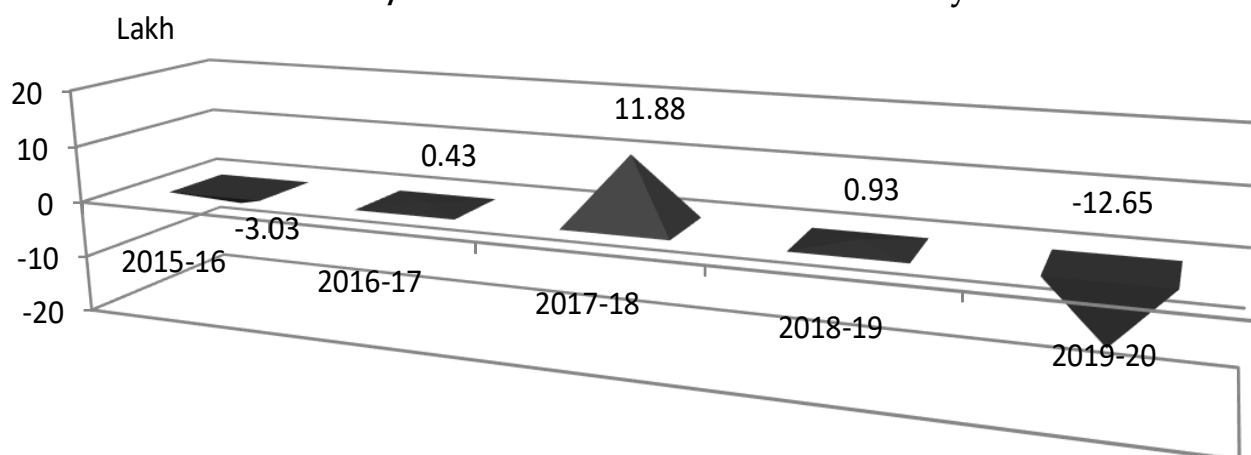
We are presenting the **66th Annual Report** of the Company along with the Standalone Audited Statement of Accounts for the year ended on **31st March, 2020**. The financial results for the year are given below.

**SUMMARISED FINANCIAL RESULTS :**

*Rs. in Lakh*

| Particulars  | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Sales & Other Income                                     | 49.54                          | 45.24                          |
| Profit before Interest, Depreciation & Exceptional Items | (10.91)                        | 5.68                           |
| Interest   | (9.11)                         | (6.91)                         |
| Depreciation   | (1.63)                         | (1.84)                         |
| Exceptional Items  | 0.00                           | 0.00                           |
| Profit / (Loss) before Tax                               | (12.54)                        | 3.83                           |
| Provision for Tax  | -                              | (2.80)                         |
| Deferred Tax   | (0.10)                         | (0.11)                         |
| MAT Tax Credit Availed                                   | 0.00                           | 0.00                           |
| Profit after Tax   | (12.65)                        | 0.93                           |
| Add : Balance Brought forward from previous year         | (467.53)                       | (468.46)                       |
| Appropriations   |                                |                                |
| Dividend on Preference Share                             | 0.00                           | 0.00                           |
| Tax on distributed preference dividend                   | 0.00                           | 0.00                           |
| Sales Tax Paid for Earlier Year                          | 0.00                           | 0.00                           |
| Balance carried to Balance Sheet                         | (480.18)                       | (467.53)                       |

Rs. in Lakh **Net Profit/ Loss after Tax for last five financial years.**



**REVIEW OF OPERATIONS & PROSPECTS :**

Your Company has recorded a loss of Rs. 12.65 Lakh during the year. The company's turnover during the year has nil because of discontinuance of production since July, 2011. In spite of this the company could achieve this growth because of continuous effort in other area of business. However, looking to the present scenario, your directors could not foresee a glimpse of bright future. Your directors are putting their full efforts to bring the company in a sustainable position in this competitive market through all possible measures. Your directors bring new projects in the area of agriculture business and Construction Company to boost the turnover and profit of the company in the future scenario. The required approvals to start the new projects are still pending from the various departments, whereas your directors are waiting for approvals to start the new projects. We set hope that once we get the approvals from the department the new projects shall be started accordingly.

Your Company is making all out endeavor to rise to the market expectations to protect and achieve enhanced value for all its stakeholders i.e. shareholders, employees, consumers and society in general.

**DIVIDEND :**

Your directors regret their inability to recommend any dividend to equity shareholders for the year 2019-20.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND :**

Since there was no unpaid/unclaimed Dividend declared and paid in previous year, the provisions of Section 125 of the Companies Act, 2013 is not applicable to the Company.

**SHARE CAPITAL :**

The Company's paid-up equity share capital as on March 31, 2020 was Rs. 1092 lakhs.

**DIRECTORS & KMP :**

Pursuant to the provisions of section 149 of the Act, Mr. Rathindra Nath Ghosh (DIN: 00152267) was appointed as independent director of the Company.

Pursuant to the provisions of section 149 of the Act, Mr. Nitesh Singh (DIN: 08751700) and Mrs. Pritika Choraria (DIN: 08752495) were appointed as Additional Independent directors of the Company.

They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Director Mr. Pradeep Kumar Daga (DIN: 00080515) retire by rotation and, being eligible, offer himself for re appointment.

Mrs. Shivani Khanna, Company Secretary cum Compliance Officer has resigned from the company w.e.f. 22<sup>nd</sup> May, 2019 and in place of which Mr. Rahul Rungta has been appointed as Company Secretary cum Compliance Officer of the Company w.e.f. 23<sup>rd</sup> May, 2019.

Further, Ms. Kirti Sharma (DIN: 07434779), Non-Executive Woman Director has resigned from the company w.e.f. 30<sup>th</sup> October, 2019 and in place of which Mrs. Santosh Choradia (DIN: 08471379) has been appointed as an Additional Non-Executive Woman Director of the Company w.e.f. 31<sup>st</sup> October, 2019.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company as on 31.03.2020 are - Mr. Tanmoy Mondal (DIN 06391885), Chief Executive Officer and Managing Director, Mr. Amit Kumar Singh, Chief Financial Officer and Mr. Rahul Rungta (ICSI Membership No. A33728), Company Secretary.

### ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS :

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and other Committees of the Board. At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

### COMMITTEES OF THE BOARD :

Currently, the Board has three committees: the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. During the year 4 (Four) Audit Committee Meetings, 4 (Four) Nomination & Remuneration Committee Meetings and 4 (Four) Stakeholders' Relationship Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### NOMINATION & REMUNERATION POLICY :

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### NO. OF BOARD MEETINGS :

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 12 (Twelve) Board Meetings were convened and held. The details of which are given in the

Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY :

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The vigil mechanism ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Chairman of Audit and Chairman of the Board looks into the complaints raised.

## AUDITORS :

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Maroti & Associates, Chartered Accountants (Firm registration Number 322770E), were appointed as statutory auditors of the Company from the conclusion of the 63rd Annual General Meeting (AGM) of the Company held on September 19, 2017 till the conclusion of the 68th Annual General Meeting (AGM) of the Company.

## AUDITOR'S REPORT

The Auditor's Report to the Shareholders does not contain any reservation, qualification or adverse remarks.

## SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. P. D. Rao & Associates, Company Secretaries in practice (C.P. No. 14385 & Membership Number A38387) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as "Annexure 1" to this report.

## COST AUDITOR

Appointment of Cost Auditor pursuant to section 148 of the Companies Act, 2013 is not applicable to the company. Hence Cost Auditor has not been appointed for the financial year 2019-2020.

## CASH FLOW STATEMENT

In accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Cash Flow statement duly verified by the Auditors is annexed herewith.

**FINANCE**

Cash and cash equivalents as at March 31, 2020 was Rs. 606.35 lakhs. The Company continues to focus on judicious management of its working capital, receivables and other working capital parameters were kept under strict check through continuous monitoring.

**MATERIAL CHANGES AND COMMITMENT :**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

**RISK MANAGEMENT :**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. The Board members were informed about risk assessment and after which the Board formally adopted and implemented the necessary steps for monitoring the risk management plan for the company.

**DEPOSITS**

During the year under reference, the Company has not accepted any deposits from the public and as such, within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**LOANS, GURANTEES AND INVESTMENTS**

The provision of section 186 of the Co. Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), are not applicable, as the Company has not given any loans or guarantees during the year. The details of investments, if any, made by the Company is given in the notes of the financial statements.

**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 and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the notes to the Financial Statements. The policy is available on the website of the company (<http://www.vegetableindia.com/cc/rpt.pdf>).

**SUBSIDIARY COMPANIES**

The Company does not have any subsidiary, hence the compliance of provisions of section 129(3) of the Companies Act, 2013 are not applicable.

## DIRECTORS'S RESPONSIBILITY STATEMENTS

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March, 2020 and state that :

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March,2020, the applicable accounting standards have been followed along with the proper explanation relating to material departure, if any.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for the year under review.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) 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.
- vi) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The current policy of the Company is to have an appropriate mix of executive and independent directors to maintain independence of the Board, and separate its function of governance and management. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

## PARTICULARS OF EMPLOYEES :

During the period under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of Section 197(12) of the Companies Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT :

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and requirements under the Companies Act, 2013, the Report on Corporate Governance together with Statutory Auditors

view and management discussion & analysis report regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

**◀ PRESERVATION OF DOCUMENTS :**

All the documents as required under the Act, has been properly kept at the registered office of the Company.

**◀ LISTING WITH STOCK EXCHANGE :**

The Company confirms that it has not defaulted in paying the Annual Listing Fees for the financial year 2019-20 to the Bombay Stock Exchange Limited (BSE) where the shares of the Company are listed.

**◀ FRAUD REPORTING :**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

**◀ SECRETARIAL STANDARDS OF ICSI :**

The Company is in compliance with the relevant provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government and all other Secretarial Standards from time to time.

**◀ CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

According to the provision of Sec. 135 of the Companies Act 2013, companies having a net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute CSR (Corporate Social Responsibility) Committee. However, your Company does not fall in the above said criteria and hence not required to constitute the said Committee.

**◀ HEALTH, SAFETY AND ENVIRONMENT PROTECTION:**

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

**◀ BUSINESS RESPONSIBILITY REPORT :**

The SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 mandates inclusion of Business Responsibility Report (BRR) as part of the Annual Report for top hundred listed entities based on market capitalization. We do not fall in the top hundred listed entities and hence not provided the BRR as part of our Annual Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information of Conservation of Energy as required under section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts), Rules 2014 along with details of technology absorption and foreign exchange earnings & outgo are given by way of Annexure-3 to Director's Report.

**POLICIES**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on the website of the Company. The policies are reviewed periodically by the board and updated based on need and new compliance requirement.

**INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY :**

The board has adopted policies and procedures 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 disclosures.

**ARCHIVAL POLICY**

The policy deals with the retention and archival of corporate records of Vegetable Products Ltd. The policy is available on the website of the company : <http://www.vegetableindia.com/investor.html> .

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.



**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. Besides, redressal is placed on the intranet for the benefit of employees.

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, no complaints were reported to the Board and no cases have been files under the Act as the Company is keeping the working environment healthy.

**ACKNOWLEDGEMENT**

Your Directors like to place on record their appreciation for the unstinted support and assistance received by the Company from the Central and State Governments and its Bankers.

The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company's well being.

**For and on behalf of the Board**

**Place : Kolkata**

**Date : 29th day of July, 2020.**

**Pradeep Kumar Daga  
Chairman & Director  
DIN: 00080515**

**Tanmoy Mondal  
Managing Director cum CEO  
DIN : 06391885**