

VEGEPRO FOODS & FEEDS LIMITED

ANNUAL REPORT 2011-12

Board of Directors

Mr. M. K. Gupta (Non-Executive Chairman)
Mr. R. S. Goenka
Mr. J. K. Srivastava
Mr. Gopal Daga
Mr. Rajendra Sonkar (Nominee PICUP)

Registered Office & Plant

A/2 Rahiya Industrial Estate
Kalpi Road, Orai
Dist : Jalaun - 285 001, U. P.

Auditors

S. Mandal & Co.
Chartered Accountants, Kolkata (W. B.)

Registrars & Share Transfer Agent

M/s CB Management Services (P) Limited
P-22 Bondel Road, Kolkata - 700 019

Bankers

Indusind Bank
Punjab National Bank

Corporate Office

"White House" Block- A, 4th Floor
119, Park Street, Kolkata - 700 016
E-mail : vegepro1987@gmail.com

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of **Vegepro Foods & Feeds Limited** will be held at the registered Office of the Company at A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District: Jalaun-285001 U.P. on Saturday, 29th September, 2012 at 10.00 am. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended on 31st March, 2012 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R. S. Goenka who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-

4. "Resolved that Mr. Gopal Daga, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company."

Registered Office :

A/2 Rahiya Industrial Estate,
Kalpi Road, Orai
District : Jalaun-285 001 U.P.
Dated : 6th September, 2012

By Order of the Board

(M. K. Gupta)
Chairman

NOTES:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a Member of the Company.**
2. Proxies in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office or at its Administrative Office not less than 48 hours before the Meeting.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the 24th Annual General Meeting.
4. Members/Proxies/Representatives should bring the enclosed Attendance slip, duly filled in, for attending the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, September 19, 2012 to Saturday, September 29, 2012 both days inclusive.
6. Members holding shares in the Physical mode are requested to intimate all changes pertaining to their Bank details, nominations, power of attorney, change of address, etc. to the Company's **Registrars and Share Transfer Agents - M/s. CB Management Services Pvt Limited, P-22 Bondel Road, Kolkata - 700 019, West Bengal**, respectively.
7. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents for consolidation into a single folio.
8. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their-email address with the RTA, M/s. CB Management Services Pvt Limited., in respect of shares held in physical form to enable the Company to serve documents in electronic form.
9. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11 a.m. and 1 p.m. up to the date of the 24th Annual General Meeting.

EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956, in respect of the items of Special Business mentioned in the Notice.

Item No. 4

Mr. Gopal Daga, was appointed as an Additional Director of the Company by the Board of Directors with effect from April 27, 2012. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association, Mr. Gopal Daga shall hold office up to the date of this Annual General Meeting. The Company has received Notice from a Member in writing under Section 257 of the Companies Act, 1956 separately signifying his intention to propose the appointment of Mr. Gopal Daga as the Director at this Annual General Meeting.

The Board of Directors are confident that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution No. 4 for your approval.

None of the Directors of the Company, other than Mr. Gopal Daga is interested in the said Resolution.

Registered Office :

A/2 Rahiya Industrial Estate,
Kalpi Road, Orai
District : Jalaun-285 001 U.P.
Dated : 6th September, 2012

By Order of the Board

(M. K. Gupta)
Chairman

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT (In Pursuance of Clause 49 of the Listing Agreement)

Particulars	Date of Birth	Date of Appointment	Qualifications	No. of Equity Shares held	Expertise in specific functional areas	Chairman/Director of other Companies (excluded foreign Companies)	Chairman/Member of Committees of the Boards of Companies of which he is Director (exclude private and foreign companies)
Mr. R. S. Goenka	03.01.1951	30.01.1999	B.Com	Nil	Secretarial & Finance	Dhanani International Ltd.	Nil
Mr. Gopal Daga	05.06.1952	27.04.2012	B.Com	Nil	Secretarial & Finance	Digvijay Fin Lease Ltd. Didwana Investment Co. Ltd.	Nil

DIRECTORS' REPORT**To the Members of
Vegepro Foods & Feeds Limited**

Your Directors have pleasure in presenting their 24th Annual Report to the Members together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULT

(₹ in thousand)

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Other Income	7,025	488
Profit / (Loss) before Depreciation	5,230	(8,552)
Depreciation	(7,236)	(12,953)
Profit / (Loss) after tax	(2,006)	(21,505)

DIVIDEND

In view of the past accumulated losses of the Company, the Directors are unable to recommend any dividend for the year.

OPERATIONAL REVIEW

During the Financial year 2011-12 the Company has not carried any activities and the Plant Capacity remained unutilized during the whole year. The revival process is still under consideration before the Hon'ble AAIFR.

DIRECTORS

Mr. Gopal Daga was appointed by the Board as an Additional Non-Executive Director of your Company with effect from April 27, 2012.

Notice have been received from Member of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr. Gopal Daga as Director. Appropriate resolution seeking your approval for his appointment is appearing in the Notice Convening the ensuing Annual General Meeting of the Company.

Pradeshia Industrial and Investment Corporation of Uttar Pradesh Ltd. (PICUP) has withdrawn their Nominee Mr. N.G.Vidyarthi from the Board of Directors of the Company and nominated in his place Mr. Rajendra Sonkar with effect from 15th March 2012.

Pursuant to Article 102 of the Articles of Association of the Company, Mr. R. S. Goenka retires by rotation and being

eligible, offers himself for re-appointment. The Board has recommended his re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) that the selected accounting policies were applied consistently and the directors 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, 2012 and of the profit or loss of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts have been prepared on the going concern basis.

AUDITORS

M/s S. Mandal & Co., Chartered Accountants, the statutory auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Accordingly, it is proposed to re-appoint them as Statutory Auditors of the Company to hold office until conclusion of the next Annual General Meeting.

AUDITORS COMMENTS

The remarks of the Auditors in their Report have been dealt with suitably in the various Notes forming part of the Accounts in respect of the financial year under review.

CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis and Corporate Governance Report together with a certificate from the practicing Company Secretary confirming compliance are set out in the Annexure forming part of this Annual Report.

LISTING IN STOCK EXCHANGE

The trading of equity shares of the Company stands suspended at Bombay Stock Exchange, Delhi Stock Exchange and Uttar Pradesh Stock Exchange and steps

VEGEPRO FOODS & FEEDS LIMITED

are being taken by the management for resumption of normal trading soon.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956 and rules made there under are not applicable since no manufacturing activities was carried during the financial year.

EMPLOYEE PARTICULARS

None of the employees of the Company were in receipt of remuneration during the year ended March 31, 2012 in respect of whom particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read

with the Companies (Particulars of Employees) Rules, 1975, as amended.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation of the support received from Government, Local Authorities, Financial Institution, Banks and employees of the Company.

By Order of the Board

Place : Kolkata
Date : 6th September, 2012

(M. K. Gupta)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure & developments

The Company is registered as a Sick Company under Section 3(II) (O) of the Sick Industrial Companies (Special Provision) Act, 1985 with Board of Industrial and Financial Reconstruction (BIFR) in view of erosion of entire net worth of the Company.

Opportunities and Threats

The Company is before AAIFR and steps are being taken for its speedy revival and the factory is non-operational since the year 2000.

Segment-wise or product wise performance

The Company does not have any reportable segment.

Outlook

The company is hopeful for its revival.

Risks and Concerns

The Company's plant is lying closed since eleven years and the Company is before AAIFR.

Internal Control systems and their adequacy

Internal control systems are generally adequate. However, in view of no manufacturing activities, no internal audit has been carried out during the year.

Discussion on financial performance with respect to operational performance

The company's plant capacity remained unutilized during the entire year under review. Cost control measures have been carried out extensively. Expenses which are essential in nature are only been incurred.

Material developments in the Human Resources / Industrial relations front including number of people employed

The plant is closed as aforesaid since last eleven years.

Cautionary Statement

Statement in the Management Discussion and Analysis could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions, changes in Government regulations, fiscal laws and other statutes.

REPORT ON CORPORATE GOVERNANCE
(AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in and continues to practice good Corporate Governance to improve corporate image. The basic philosophy of Corporate Governance in the Company emphasizes on highest levels of transparency, accountability and equity, in all respects of its operations.

II. BOARD OF DIRECTORS

• Composition

The composition of the Board of Directors of the company is four directors all of whom are Non-Executive and Independent thereby complying with the requirement of Clause 49 of listing agreement. The details of the Board of Directors as at 31st March, 2012 and their Directorships/Memberships in Committees of other Companies are as under:

Name of the Directors	Category	FY 2011-12 Attendance at		No. of Directorships in other Public Companies		No. of Committee positions held in other Public Companies*
		BM	Last AGM	Chairman	Member	Chairman
Mr. M. K. Gupta (Chairman)	Non-Executive Independent	5	Yes	-	1	-
Mr. J. K. Srivastava	Non-Executive Independent	5	Yes	-	-	-
Mr. R. S. Goenka	Non-Executive Independent	5	Yes	-	-	-
Mr. N. G. Vidyarthi ¹ (Nominee of PICUP)	Non-Executive Independent	-	No	-	-	-
Mr. Rajendra Sonkar ² (Nominee of PICUP)	Non-Executive Independent	-	No	-	-	-

* Represents Membership/Chairmanship of Audit committee, Investor Grievance Committee and Remuneration Committee.

1. Ceased to be a nominee director of PICUP w.e.f. 15.03.2012
2. Appointed as a nominee director of PICUP w.e.f. 15.03.2012

• Board Meetings

During the year, 5 Board Meetings were held on 13.05.2011, 13.08.2011, 03.09.2011, 12.11.2011, and 14.02.2012

The gap between any two meetings did not exceed four months.

Mr. R.S. Goenka is liable to retire by rotation and being eligible, offered himself for re- appointment. Information as required under clause 49(VI) of the

Listing Agreement is appended to the Notice for the 24th Annual General Meeting.

• Code of conduct for Directors

The Board has framed a code of conduct for all Board members and employees of the Company focusing transparency, accountability and ethical expression in all acts and deeds. A certificate of affirmation in this regard is appended.

• CEO & CFO Certification

A certificate as obtained from CEO & CFO of the Company for due compliance under Clause 49(V) of the Listing Agreement is appended herewith.

III. AUDIT COMMITTEE

The Audit Committee, constituted in line with the composition as prescribed by the code of Corporate Governance, presently comprise of Mr. M. K. Gupta (Chairman), Mr. J. K. Srivastava and Mr. R. S. Goenka. The scope of the Committee includes:-

- To review internal control systems, nature and scope of audit as well as post audit discussions.
- To review quarterly, half-yearly and annual statements.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- To discuss with internal auditor any significant findings and follow-up thereon.
- To recommend to the Board on any matter relating to Financial Management including audit report.
- To oversee Company's financial reporting process and disclosure of financial information.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Name of Members	Category	No. of Meetings	
		Held	Attended
Mr. M. K. Gupta (Chairman)	Non-Executive & Independent	5	5
Mr. R. S. Goenka	Non-Executive & Independent	5	5
Mr. J. K. Srivastava	Non-Executive & Independent	5	5
Mr. N. G. Vidyarthi ¹	Non-Executive & Independent	-	-

1. Ceased to be a member w.e.f.15.03.2012

The Committee met Five times on 13.05.2011, 13.08.2011,

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03.09.2011, 12.11.2011, and 14.02.2012 during the year 2011-12. The Statutory Auditor is invited to the meeting as and when required. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.

IV. SHAREHOLDERS' COMMITTEE

- **Shareholders'/ Investors' Grievance Committee**

Shareholders' Grievance Committee has been formed for redressal of Investors complaints like transfer of shares, non-receipts of annual report, non-receipt of declared dividend, issue of duplicate certificates, transfer & transmission of shares & allied transactions.

The Committee oversees the performance of **M/s. C B Management Services Pvt. Limited**, the Registrars and Share Transfer Agents of the Company and recommends measures to improve the level of investor related services. All the share transfer/ transmission cases approved by the Registrars are reported to the Committee. The Committee also keeps a close watch on disposal status of all complaints/ grievances of shareholders.

The following three Directors are the members of the shareholders'/ Investor's Grievances Committee viz. Mr. M.K. Gupta (as Chairman), Mr. R.S. Goenka and Mr. J.K. Srivastava as members.

Two meetings were held during the year on 28.07.2011 and 28.01.2012 and was attended by Mr. M.K.Gupta, Mr. R.S. Goenka and Mr. J.K. Srivastava.

- **Compliance Officer of the Company in terms of Clause 47(a) of the Listing Agreement :**

Name, designation and address :

Mr. M. K. Gupta, Non-Executive Chairman

"White House", 4th Floor, A-Block,
119, Park Street, Kolkata – 700 016
Phone: (033) 2229-3340/42/43/44
Fax No. (033) 2249-5009,
e-mail : vegepro1987@gmail.com

All complaints/queries received during the year under review were duly replied/resolved and no share transfers were pending as on March 31, 2012. There were also no investors complaint pending against the Company as on March 31, 2012 on SCORES, the web based complaint redressal system of SEBI.

The email ID earmarked for investors complaints:
investors.vffl@gmail.com

- **Share Transfer Committee**

To expedite the process of share transfer, the Board has delegated the powers of share transfers to a committee comprising three Directors namely Mr. M.K. Gupta (as Chairman), Mr. R.S. Goenka and Mr. J.K. Srivastava.

During the financial year 2011-12 the committees met 5 times on the following dates :

30.08.2011, 15.10.2011, 30.11.2011, 10.01.2012 and 15.02.2012.

V. GENERAL BODY MEETINGS OF LAST 3 YEARS

a) **Details of venue, date and time of the last three Annual General Meetings**

Year	Venue	Day & Date	Time
2008-2009	A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District : Jalaun-285 001, U. P.	Wednesday 30.09.2009	3.00 P.M.
2009-2010	A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District : Jalaun-285 001, U. P.	Wednesday 29.09.2010	10.00 A.M.
2010-2011	A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District : Jalaun-285 001, U. P.	Friday 30.09.2011	10.00 A.M.

The resolutions at the above Annual General Meetings were passed by the requisite majority/ unanimously.

- b) No special resolutions were passed during the last three AGMs.
- c) No Special Resolutions were required to be put through postal Ballot at the previous AGM's. No resolution on matters requiring postal ballot were placed for shareholder's approval in the ensuing Annual General Meeting.

VI. OTHER DISCLOSURES

- a. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large : **There were no such transactions during the year.**
- b. Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authorities on any matter related to Capital markets during the last three years. : **None**

VII. MEANS OF COMMUNICATION

(a)	Whether half-yearly report sent to each household of shareholders	No
(b)	Quarterly Results	
	(i) Which newspapers normally published in :	Business Standard & Rashtriya Sahara
	(ii) Any Website displayed :	Yes

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(c)	Whether Website also displays official news releases	No
(d)	Whether presentations made to institutional investors or to the analysts	No
(e)	Whether MD&A is a part of Annual Report or not	Yes

<p>3)* The Uttar Pradesh Stock Exchange Assn. Ltd. Padam Towers 14/113 Civil Lines Kanpur- 208 001</p> <p>*Listing Fees not paid</p>
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VIII. GENERAL SHAREHOLDER INFORMATION

(a)	24th Annual General Meeting :	Day : Saturday
		Date : September 29, 2012
		Time : 10.00 a.m.
		Venue : Registered Office A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District: Jalaun-285 001 U.P.
		Financial Calendar : April to March
		Publication of results for the Financial Year 2012-13
	First Quarter results	On or before Mid August, 2012
	Second Quarter results and half-yearly results	On or before Mid November, 2012
	Third Quarter results	On or before Mid February, 2013
	Fourth Quarter results and results for the year ending on 31.03.2013	During May 2013
	Annual General Meeting for the year ending March 31, 2013	Last week of September, 2013

(c)	Book closure period :	From Wednesday , September 19, 2012 to Saturday, September 29, 2012, (both days inclusive)
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(d)	Dividend Payment Date :	Not Applicable
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(e)	Listing on Stock Exchanges
	The Company's securities are Listed at :
	1) The Bombay Stock Exchange Ltd. Phiroza Jeejeebhoy Towers 25th Floor, Dalal Street, Mumbai 400 001
	2)* The Delhi Stock Exchange Ltd. DSE House, 3/1 Asaf Ali Road New Delhi- 110 002

(f)	(i) StockCode : Physical Form	Bombay Stock Exchange (BSE) – Mumbai Stock Code 519140 Equity ISIN VGPRFOO
	(ii) Depositories	Nil
(g)	Stock Market Data :	The Equity Shares of the Company are not being traded in the Stock market due to temporary suspension of trading, therefore the Market Price Quotation for the Financial year are not available

(h) Share Holding Pattern as on 31.03.2012

Name of the Shareholder	No. of Shares Held	% Holding
Promoter & Promoter Group	12368400	58.12
FII's	0	0.00
NRIs and OBCs	15000	0.07
Mutual Funds	2000	0.01
FIs/Insurance Cos./Banks	600	0.00
Bodies Corporate	2315878	10.88
General Public	6578122	30.92
Total	21280000	100.00

(i) Distribution of Share Holdings as on 31.03.2012

Range of Ordinary Shares	No. of Shares	% to Capital	No. of Holders	% Holders
1 to 500	3119157	14.66	23387	97.04
501 to 1000	366400	1.72	449	1.86
1001 to 10000	626600	2.94	246	1.03
Above 10000	17167843	80.68	18	0.07
Total	21280000	100.00	24100	100.00

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(j)	Registrar & Transfer Agents : C B Management Services Pvt. Limited P-22 Bondel Road Kolkata - 700 016 Ph. No.(033) 2280 6692-93-94/2486/2937, 2282 3236-37-38 & 3643 Fax No.(033) 2287 0263 e-mail: cbms11@cal12vsnl.net.in
(k)	Share Transfer System : Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodging, if the documents are clear in all respects. Compliance Officer of the Company is empowered to approve transfer of shares. A summary of transfer/ transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting. Grievances received from Members and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days. Pursuant to Clause 47(c) & 55 of the Listing

	Agreement with the Stock Exchanges, certificates, on half-yearly & quarterly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities & Secretarial Audit report, respectively, by the Company and files a copy of the certificates with the Stock Exchanges.	
(l)	Dematerialization of Shares & Liquidity:	Nil
(m)	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely equity:	None
(n)	Plant Locations :	A/2 Rahiya Industrial Estate, Kalpi Road, Orai, District: Jalaun-285 001 U.P.
(o)	Address for Correspondences:	Administrative Office 'White House', 'A' Block 4th Floor, 119, Park Street Kolkata-700 016

CERTIFICATE

Certificate to the members of Vegepro Foods & Feeds Limited on compliance of the conditions of Corporate Governance for the year ended March 31, 2012 under clause 49 of the Listing Agreements with relevant Stock Exchanges.

We have examined the compliance of the conditions of Corporate Governance by Vegepro Foods & Feeds Limited for the year ended 31.03.2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

As required by the Guidance Note issued by The Institute of Company Secretaries of India, we have to state that the Registrar of the Company have certified that as on 31st March, 2012, there were no investor grievances remaining unattended/pending for more than 30 days against this Company except in cases which are constrained by disputes and legal impediments.

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

**For MR & Associates
Company Secretaries**



**M. R. Goenka
Partner
C. P. No. 2551**

**Place : Kolkata
Date : 6th September, 2012**

**DECLARATION REGARDING COMPLIANCE
BY BOARD WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Directors.

I confirm that the Company has in respect of the year ended March 31, 2012, received from the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. I further confirm that the rules of Insider Trading Regulation has been duly complied with.

**Place : Kolkata
Date : 6th September, 2012**

**M. K. Gupta
Chairman**

CERTIFICATION ON FINANCIAL STATEMENTS

We, M.K. Gupta, Chairman and J. K. Srivatava, Director of Vegepro Foods & Feeds Ltd. to the best of our knowledge and belief, certify that:

1. We have reviewed Balance Sheet and Profit & Loss Account and all the Schedules and Notes on Accounts , as well as Cash Flow Statements and Director's Report for Financial Year ended on March 31, 2012;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. We are responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
 - a) any deficiencies in the design or operation of internal controls, that could adversely affect the company's ability to record, process, summarize and report financial data, and any material weaknesses in the internal controls over financial reporting including any corrective actions with regard to deficiencies.;
 - b) significant changes in internal controls during the year;
 - c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - d) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal controls system.

**Place : Kolkata
Date : 6th September, 2012**

**M. K. Gupta
Chairman**

**Gopal Daga
Director**

Auditors' Report

TO THE MEMBERS OF VEGEPRO FOODS AND FEEDS LIMITED

We have audited the attached Balance Sheet of Vegepro Foods and Feeds Limited, as at 31st March, 2012 and also the annexed Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit,
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts,
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub - Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable except for comments in para 6(a) to 6(j) below.
5. Except in case of Mr. Rajendra Sonkar, Nominee of PICUP in whose case no written representation u/s 274(1)(g) of the Companies Act, 1956 has been received by the Company, on the basis of the written representations received from all other directors of the Company as on 31st March 2012 and taken on the record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director u/s 274(1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, subject to :
 - a. **Note: 2.16 regarding closure of factory since 11.10.2000 and accounts having been prepared on the basis that the Company is a going concern,**
 - b. **Note: 2.3 regarding unreconciled balance of Unit Trust of India and non provision of interest on NCD's,**
 - c. **Note: 2.4 regarding unconfirmed balances of Trade Payables.**
 - d. **Note: 2.17 regarding appeals pending before Income Tax and Trade Tax authorities,**
 - e. **Note: 2.4 regarding non- disclosure of the amounts payable to Micro, Small and Medium Enterprises,**
 - h. **Note: 2.21 regarding non- provision of impairment losses,**
 - i. **Note: 2.7 regarding Capitalization of interest of Rs. 974.12 lacs on term loans and charging depreciation on interest amount, not in keeping with generally followed accounting principles and**
 - j. **Note: 2.11 regarding non- provision in respect of certain Loan and Advances of Rs.36.33 lacs, read together with notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in**

VEGEPRO FOODS & FEEDS LIMITED

conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
- (ii) in the case of the Profit and Loss Account, of the loss of the Company for the Year ended as on that date; and

(iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S. Mandal & Co.
Chartered Accountants
Firm Regn. No. : 314188E
(Arijit Dutta)
M. No. 066223
Partner
Place : Kolkata
Dated : 6th September, 2012

Annexure to the Auditor's Report

Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on 31st March, 2012 of Vegepro Foods and Feeds Limited.

- (i) (a) The Company has maintained proper Records showing full particulars including Quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets have not been physically verified during the year by the management due to lockout in the factory.
- (c) The Company has not made any disposal of its Fixed Assets during the year.
- (ii) (a) The Company has no Inventories, hence question of physical verification does not arise.
- (b) Para 4(ii) (b) & (c) of CARO Order is not applicable as Company has no inventory
- (iii) According to information and explanations given to us, the company has neither granted nor taken during the year any Loans, Secured or Unsecured, to and from Companies, Firms or Other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (b) to (d) and (f) & (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for the sales of goods (Forestry/Horticulture product) and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area. Further due to closure of the factory there are no transactions of purchase of inventories and Fixed Assets.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (b) In view of the above, clause (v) (b) of Paragraph 4 of the Companies (Auditor's Report) Order 2003 is not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58 AA of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.

- (vii) Internal Audit has not been carried out due to closure of factory during the year.
- (viii) As informed by the management, the Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956 for any of its products.
- (ix) (a) As explained to us, the Company in general is regular in depositing with the appropriate Authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues whenever applicable to it except in case of Investor Education and Protection Fund of unpaid Share Application Money of Rs. 2.25 lacs and TDS of Rs.1.07 lacs which have not been deposited with appropriate Authorities.
- (b) At the last day of the financial year, according to the records of the Company and the information and explanations given to us, there was no dues of Wealth Tax, Service Tax, Custom duty, Excise Duty and Cess which have not been deposited on account of any dispute. However, there are dues of Income tax and sales tax at the last day of the financial year which have not been deposited on account of disputes but as mentioned in Note:2.17 management has not ascertained the amount of disputed Income tax and sales tax liability and also not provided to us the details of Authorities before which disputes are pending, we are unable to quantify the same.
- (x) The Company's accumulated Losses at the end of the financial year are Less than the total of Share Capital and Reserve & Surplus due to write off of Advances and Security and Other Deposits from Customers and Unsecured Loans in earlier Financial Years. However, the Company has incurred cash losses both during the Current Year as well as in the immediately preceding Financial Year.
- (xi) The Company had defaulted in repayment of dues to financial institutions/debenture holders, detail of which are given below

	Amount of default as per books of account	Period of default
a. Debenture issued to UTI (as per note : 2.3)	35.65 lacs	15.03.98

VEGEPRO FOODS & FEEDS LIMITED

- (xii) In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us the company has not given any Guarantee for Loans taken by others from Banks and Financial Institutions.
- (xvi) The Company has not raised any new Term Loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the current financial year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. Mandal & Co.
Chartered Accountants
Firm Regn. No. : 314188E

(Arijit Dutta)
M. No. 066223
Partner

Place : Kolkata
Dated : 6th September, 2012

VEGEPRO FOODS & FEEDS LIMITED

Balance Sheet as at 31st March, 2012

(₹ '000)

Particulars	Notes	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	257,753	257,753
(b) Reserves and Surplus	2.2	(255,832)	(253,826)
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	2.3	3,565	3,565
(4) Current Liabilities			
(a) Trade payables	2.4	5,786	12,209
(b) Other current liabilities	2.5	9,830	10,415
(c) Short-term provisions	2.6	22	30
Total		21,124	30,146
II. Assets			
(1) Non-current assets			
(a) Fixed assets	2.7		
(i) Tangible assets	2.7 A	16,100	23,336
(ii) Intangible assets	2.7 B	-	-
(iii) Capital work-in-progress	2.7 C	1,371	1,371
(iv) Intangible assets under development	2.7 D	-	-
(b) Non-current investments	2.8	-	-
(2) Current assets			
(a) Inventories	2.9	-	-
(b) Cash and cash equivalents	2.10	20	38
(c) Short-term loans and advances	2.11	3,633	5,401
(d) Other current assets		-	-
Total		21,124	30,146

Significant Accounting Policies & Notes to Accounts 1&2

As per our report of even date annexed.

For S. Mandal & Co.
Chartered Accountants

(Arijit Dutta)
Partner
M. No. 066223

Place : Kolkata
Dated : 6th September, 2012

For and on behalf of the Board

M. K. Gupta
Chairman

Gopal Daga
Director

VEGEPRO FOODS & FEEDS LIMITED

Statement of Profit & Loss for the year ended 31st March, 2012

(₹ '000)

	Notes	As at 31st March, 2012	As at 31st March, 2011
I. Other Income	2.12	7,025	488
Total Revenue		7,025	488
II. Expenses:			
Employee benefit expense	2.13	189	316
Depreciation and amortization expense	2.7	7,236	12,953
Other expenses	2.14	1,606	8,724
Total Expenses		9,031	21,993
III. Profit before exceptional and extraordinary items and tax	(I - II)	(2,006)	(21,505)
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax	(III - IV)	(2,006)	(21,505)
VI. Extraordinary Items		-	-
VII. Profit before tax	(V - VI)	(2,006)	(21,505)
VIII. Tax expense:			
(1) Current tax			
(2) Deferred tax		-	-
IX. Profit(Loss) for the period from continuing operations	(VII-VIII)	(2,006)	(21,505)
X. Profit/(Loss) from discontinuing operations		-	-
XI. Tax expense of discounting operations		-	-
XII. Profit/(Loss) from Discontinuing operations	(X - XI)	-	-
XIII. Profit/(Loss) for the period	(IX + XII)	(2,006)	(21,505)
XIV. Earning per equity share:			
(1) Basic		(0.75)	(1.36)
(2) Diluted		(0.75)	(1.36)

Significant Accounting Policies & Notes to Accounts 1 & 2

As per our report of even date annexed.

For S. Mandal & Co.
Chartered Accountants

(Arijit Dutta)
Partner
M. No. 066223

Place : Kolkata
Dated : 6th September, 2012

For and on behalf of the Board

M. K. Gupta
Chairman

Gopal Daga
Director

VEGEPRO FOODS & FEEDS LIMITED

Cash Flow Statement for the year ended 31st March, 2012

(Pursuant to Clause 32 of the listing agreement)

(₹ '000)

	Year ended on 31st March, 2012	Year ended on 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net (Loss) Before tax and Extraordinary items	(2006)	(21505)
Adjustment for :		
Depreciation	7236	12953
Provision for Doubtful Advance	-	300
Interest Income	-	(1)
Provision for doubtful Debts and Advances	-	-
Excess Provision not required written back	-	-
Asset written off	-	7510
Trade Payables Written off	-	-
	<u>7236</u>	<u>20762</u>
Operating Profit/(Loss) before working capital changes	5230	(743)
Adjustment for :		
Current Assets	1768	1832
Current Liabilities	(7016)	(1861.00)
	<u>(5248)</u>	<u>(29)</u>
Cash generated before extraordinary items	(18)	(772)
Extra ordinary items :		
Cash generated from Operating Activities	(18)	(772)
Net Cash from Operating Activities	(18)	(772)
B. CASH FLOW FROM INVESTING ACTIVITIES :		72
C. CASH FLOW FROM FINANCING ACTIVITIES :		244
Increase/(Decrease) in Long Term Borrowings (Net)	-	-
	<u>-</u>	<u>316</u>
Net Increase in Cash or Cash equivalents	(18)	(456)
Cash and Cash Equivalents as at 31.03.2011		
Cash and Bank Balances	38	494
Cash and Cash Equivalents as at 31.03.2012		
Cash and Bank Balances	20	38

Notes: Figures in brackets represent outflow.

This is the Cash Flow Statement referred to in our report of even date.

For S. Mandal & Co.
Chartered Accountants

(Arijit Dutta)
Partner
M. No. 066223

Place : Kolkata
Dated : 6th September, 2012

For and on behalf of the Board

M. K. Gupta
Chairman

Gopal Daga
Director

1. Statement on Significant Accounting Policies

I. Fixed Assets

Fixed assets are stated at their original cost including Freight, Duties, Taxes and other incidental cost related to acquisition and installation. Also refer to Note 3 below.

II. Depreciation

Depreciation on Fixed Assets other than Plant and Machinery has been provided on written down value method and on Plant and Machinery on straight line method in accordance with the rates and manner specified in Schedule XIV to the Companies Act, 1956 (as amended). Leasehold land is amortized over the life of the lease.

III. Inventory

Inventories are valued as follows:

Raw materials and Packing materials Stores and spare parts - At Cost

Finished Goods - At lower of cost or net realisable value

IV. Investments

Investments are valued at cost. Earnings from investments are accounted for on accrual basis

V. Revenue

Revenue from sale of goods is recognised on dispatch of goods from the factory/depots or consignee agents. Insurance claims are accounted for on admittance of the claim by the relevant authorities.

VI. Gratuity

In keeping with practice generally followed by in the Company, Provision for gratuity is made

in respect of employees who have completed five years of service with the Company on the basis of last salary drawn for half month's salary for every completed year of service.

Note 2.1 Share Capital

(Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956)

		As at March 31, 2012		As at March 31, 2011	
		Number	(₹ '000)	Number	(₹ '000)
Authorised					
25,000,000	Equity Shares of ₹ 10/- each	25,000,000	250,000	25,000,000	250,000
45,00,000	14% Cumulative Convertible Preference Shares of ₹ 10/- each	45,00,000	45,000	45,00,000	45,000
5,00,000	Preference Shares of ₹ 10/- each	5,00,000	5,000	5,00,000	5,000
Issued					
2,12,80,000	Equity Shares of ₹ 10/- each	2,12,80,000	212,800	2,12,80,000	212,800
45,00,000	14% Cumulative Convertible Preference Share of ₹ 10/- each	45,00,000	45,000	45,00,000	45,000
Subscribed & Paid up					
2,12,80,000	Equity Shares of ₹ 10/- each fully paid	2,12,80,000	212,800	2,12,80,000	212,800
Less :	Calls in Arrears (Due from other than directors)	-	(47)	-	(47)
45,00,000	14% Cumulative Convertible Preference Share of ₹ 10/- each	45,00,000	45,000	45,00,000	45,000
Total		25,78,00,000	257,753	25,78,00,000	257,753

VEGEPRO FOODS & FEEDS LIMITED

(Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956)

	Equity Shares		Preference Shares	
	Number	(₹ '000)	Number	(₹ '000)
Shares outstanding at the beginning of the year	2,12,80,000	212,800	45,00,000	45,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,12,80,000	212,800	45,00,000	45,000

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

NIL Equity Shares (Previous year) are held by NIL the holding company.

Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company .

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pradeshya Industrial & Investment Corp of U.P	2,230,000	10.48%	2,230,000	10.48%
Kitply Industries Limited	5,011,700	23.55%	5,011,700	23.55%
Dhanani International Limited	5,041,700	23.69%	5,041,700	23.69%

Note 2.2 Reserves & Surplus

(Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956)

	(₹ '000)	
	As at 31st March, 2012	As at 31st March, 2011
A. Capital Reserves		
Opening Balance	2,500	2,500
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>2,500</u>	<u>2,500</u>
B. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>-</u>	<u>-</u>
C. Securities Premium Account		
Opening Balance	4,120	4,120
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<u>4,120</u>	<u>4,120</u>

VEGEPRO FOODS & FEEDS LIMITED

Note 2.2 Reserves & Surplus (contd.)

(Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956)

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
D. Debenture Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
E. Revaluation Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
F. Share Options Outstanding Account		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
G. Other Reserves (Specify the nature and purpose of each)		
Opening Balance - General Reserve	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
H. Profit & Loss A/c		
Opening balance	(260,446)	(238,941)
(+) Net Profit / (Net Loss) For the current year	(2,006)	(21,505)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(262,452)	(260,446)
Total	(255,832)	(253,826)

VEGEPRO FOODS & FEEDS LIMITED

Note 2.3 Long Term Borrowings

(Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956)

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
Secured		
(A) Debentures*	3,565	3,565
35,650 Secured Redeemable Non Convertible Debentures of ₹ 100/- each (The Debentures are secured by first mortgage and charges on all company's immovable and movable properties except book debts, both present and future, subject to a prior charge on stock in favour of the bankers for working capital. The above mortgage and charge will rank pari passu in point of security.)		
(B) Term loans: (Secured by Nil) (of the above, ₹ Nil is guaranteed by Directors and / or others)	-	-
(C) Deferred payment liabilities (Secured by Nil) (of the above, ₹ Nil is guaranteed by Directors and / or others)	-	-
(D) Deposits (Secured By Nil) (of the above, ₹ Nil is guaranteed by Directors and / or others)	-	-
(E) Loans and advances from related parties (Secured By Nil) (of the above, Nil is guaranteed by Directors and / or others) Terms of Repayment ₹ Nil	-	-
(F) Long term maturities of finance lease obligations (Secured By ₹ Nil) (of the above, Nil is guaranteed by Directors and / or others)	-	-
(G) Other loans and advances (specify nature) (Secured ₹ Nil) (of the above, ₹ Nil is guaranteed by Directors and / or others) Terms of Repayment ₹ Nil	-	-
Total	<u>3,565</u>	<u>3,565</u>

Additional Information:

As per the agreement dated 24.09.97 entered by the Company with ICICI (operating agency) it was agreed to redeem the entire amount of Non Convertible Debentures (NCD's) of ₹ 521.17 lacs up to 15.03.1998. Company redeemed the entire amount of NCD's within stipulated time except in case of NCD's of ₹ 35.65 lacs to UTI. The UTI expressed their disagreement on the aforesaid amount as their account was unreconciled at the time of conversion of term loan into NCD's in the year 1995-97 accounts. Further as the reconciliation with UTI is still pending, Company has not made any provision for liabilities that may arise on reconciliation of the account with UTI and the amount of interest on NCD's since 15.03.1998.

Note 2.4 Trade Payables:

a) Trade Payables having scheduled payment beyond 12 months after the repayment date	-	-
b) Trade Payables outstanding beyond normal operating cycle	12,344	12,209
Less: Trade Payables written off during the year	(6,558)	-
c) Others due within normal operating cycle	-	-
Total	<u>5,786</u>	<u>12,209</u>

Additional Information:

- (a) The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of information and on account of closure of the factory since 2000, disclosure relating to amounts unpaid at the year-end together with interest payable thereon as required under the said Act, has not been made
- (b) Balances of Trade Payables are subject to Confirmation.

VEGEPRO FOODS & FEEDS LIMITED

Note 2.5 Other Current Liabilities

Disclosure pursuant to Note no. 6 (G) of Part I of Schedule VI to the Companies Act, 1956

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
Other Current Liabilities		
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund #	-	-
Interest accrued on (g) above		
Number of shares proposed to be issued Nil		
Amount of premium (if any): Nil		
Terms and conditions of shares proposed to be issued:		
At par with existing shares		
Date by which shares shall be allotted:		
Whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money		
The period overdue from the last date of allotment is _____ " reason being _____		
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables - Advance from Customers	9,000	9,445
(k) Other Liabilities	830	970
Total	9,830	10,415

Additional Information:

[Other liabilities includes Provision for Gratuity ₹ 1.25 lacs (Previous year ₹ 1.25 lacs)
Investor Education and Protection Fund on account of unpaid Share Application
Money ₹ 2.25 lacs (Previous year ₹ 2.25 lacs) and T.D.S deducted but not
deposited ₹ 1.07 lacs (Previous year ₹ 0.54 lacs)]

Note 2.6 Short Term Provisions

Disclosure pursuant to Note no. 6 (H) of Part I of Schedule VI to the Companies Act, 1956

(a) Provision for employee benefits		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	-	-
Leave Encashment (funded)	-	-
Provision for Expenses	22	30
ESOP / ESOS	-	-
(b) Others - Provision for Taxation		
Total	22	30

VEGEPRO FOODS & FEEDS LIMITED

Note 2.7 Fixed Assets

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956

(₹ '000)

FIXED ASSETS	Gross Block				Accumulated Depreciation					Net Block		
	Balace as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluation/ (Impairments)	Balace as at 1st March 2012	Balace as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluatons	on disposals	Balace as at 31 March 2012	Balace as at 31st March 2012	Balace as at 31st March 2011
Note 2.7A Tangible Assets												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Lease Hold	4,217	-	-	-	4,217	884	42	-	-	926	3,291	3,333
Free Hold	7	-	-	-	7	-	-	-	-	-	7	7
Buildings #	69,686	-	-	-	69,686	55,938	1,058	-	-	56,996	12,690	13,748
Assets under lease												
Plant and Equipment #	222,185	-	-	-	222,185	216,073	6,112	-	-	222,185	-	6,112
Assets under lease												
Furniture and Fixtures	1,646	-	-	-	1,646	1,608	7	-	-	1,615	31	38
Assets under lease												
Vehicles	434	-	-	-	434	433	-	-	-	433	1	1
Assets under lease												
Office equipment	2,294	-	-	-	2,294	2,197	17	-	-	2,214	80	97
Assets under lease												
Total	300,469	-	-	-	300,469	277,133	7,236	-	-	284,369	16,100	23,336
Intangible Assets (Note 2.7 B)	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Capital Work In Progress (Note 2.7 C)	1,371	-	-	-	1,371	-	-	-	-	-	1,371	1,371
Total	1,371	-	-	-	1,371	-	-	-	-	-	1,371	1,371
Intangible assets (Note 2.7 D) under Development	-	-	-	-	-	-	-	-	-	-	-	-
Total	301,840	-	-	-	301,840	277,133	7,236	-	-	284,369	17,471	24,707

Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure should be made for each class of asset as required

	Year's				
	2011-12 ₹	2010-11 ₹	2009-10 ₹	2008-09 ₹	2007-08 ₹
Asset details:					
Balance as at 1 April	301,840	301,840	301,840	301,840	301,840
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March	301,840	301,840	301,840	301,840	301,840

Additional Information:

INCLUDING INTEREST CAPITALISED :

Building	₹ 256.37 lacs
Plant and Machinery	₹ 717.75 lacs
	<u>₹ 974.12 lacs</u>

The Company's production facilities were installed and it began commercial production in phases and the primary operating unit, namely the Solvent Extraction Plant, started operating with effect from 1st April, 1989. Due to acute shortage of raw materials since commencement of commercial production, the various production units of the Plant could not be made fully operational. Upon such insignificant use of the Plant, the Board considered it appropriate to capitalize, interest on Term Loans availed of for the purpose of acquisition/installation of relevant fixed assets and expensed in the accounts after commencement of commercial production aggregating Nil for the current year and ₹ 974.12 up to 31st March, 2011. Plant & Machinery has been fully depreciated during the year and carries nil value in the Books of Accounts.

VEGEPRO FOODS & FEEDS LIMITED

Note 2.8 Non Current Investments:

Disclosure pursuant to Note No: K (i) of Part I of Schedule VI to the Companies Act, 1956

	As at 31st March, 2012	As at 31st March, 2011
(₹ '000)		
A Trade Investments (Refer A below)		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	-	-
(c) Investments in Preference Shares	-	-
(d) Investments in Government or Trust securities(NSC)	-	72
(e) Investments in debentures or bonds	-	-
(f) Investments in Mutual Funds	-	-
(g) Investments in partnership firms*	-	-
(h) Other non-current investments (specify nature)	-	-
Total (A)	-	72
B Other Investments (Refer B below)		
(a) Investment Properties	-	-
(b) Investment in Equity Shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in debentures or bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments	-	-
Total (B)	-	-
Grand Total (A + B)	-	72
Less : Provision for diminution in the value of Investments	-	72
Total	-	-

(₹ '000)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Aggregate amount of quoted investments (Market value of ' __ (Previous Year ' __)	-	-
Aggregate amount of unquoted investments (Previous Year ' __)	-	-

Note 2.9 Inventory

Disclosure pursuant to Note no. O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Inventories

a. Raw Materials and components (Valued at ____)		2420
Less: written off		(2420)
b. Work-in-progress (Valued at ____)		
Goods-in transit		
c. Finished goods (Valued at ____)		
Goods-in transit		
d. Stock-in-trade (Valued at ____)		
Goods-in transit		
e. Stores and spares (Valued at ____)		4384
Less: written off		(4384)
f. Loose Tools (Valued at ____)		
Goods-in transit		
g. Others (Specify nature)		
Total	-	-

VEGEPRO FOODS & FEEDS LIMITED

Note 2.10 Cash and Cash Equivalents:

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
Balance with Banks:		
In Current Accounts		
with Scheduled Banks	14	27
Others	-	-
In Fixed Deposits Accounts	-	244
Less: written off	-	(244)
Cash in Hand	6	11
Total	<u>20</u>	<u>38</u>

Note 2.11 Short-term Loans and Advances

Loans and Advances Considered Good

Advance to Staff	163	163
Rent Receivable	126	-
Loans and Advances	132	72
Advance to Suppliers	3,212	5,166
Deposits:	-	-
Total	<u>3,633</u>	<u>5,401</u>

Additional Information:

Year-end Loans and Advances considered good include an aggregate amount of ₹ 36.33 lacs (Previous Year ₹ 54.01 lacs) in respect of which appropriate steps have been taken by the Company for recovery. Pending outcome of the Company's actions, the amount which may not be ultimately realisable is not ascertainable at this stage and hence, no provisions have been made therefore.

Notes to financial statement of Profit & Loss Account

Note: 2.12 Other Income:

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
Interest on Fixed Deposits	-	1
Forestry/Horticulture Sale	72	75
Rent Received	395	412
Sundry credit Balances written off	6,558	-
Total	<u>7,025</u>	<u>488</u>

Additional Information:

The rent from the premises are directly deposited to Allahabad court by the tenant as per court's order, hence not accounted for in the books from August, 2011.

During the year Trade Payables amounting to ₹ 65.58 lacs (previous year ₹ NIL) has been written back as other income treated as not payable by the Company, however balance confirmation has not been received from the parties, hence cannot be verified.

VEGEPRO FOODS & FEEDS LIMITED

Note: 2.13 Employee Benefit and Expense :

(₹ '000)

	As at 31st March, 2012	As at 31st March, 2011
Salary,Wages and Bonus	158	253
Staff Welfare Expenses	19	36
Employers Contribution to Provident Fund	12	27
Compensation of Salary etc to Ex-Employees	-	-
Total	189	316

Note: 2.14 Other Expenses:

Advertisement & Publicity	61	-
Bad Advances and Security and other Deposits Written off	-	63
Bank Charges	1	4
Legal and Consultancy	677	415
Listing Fees	646	35
Security Expenses	53	126
Printing & Stationery	8	6
Fee Rates and Taxes	-	4
Repairing & Maintenance	30	33
Travelling and Conveyance Expenses	12	18
Miscellaneous	20	173
Share Transfer Expenses	37	37
Postage and Telephone Expenses	39	33
Stores & Spare Parts - written off	-	4,384
Raw Materials and Packing Materials - written off	-	2,420
Investments - written off	-	72
Fixed Deposits - written off	-	244
Other Current Assets - written off	-	327
Provision for doubtful advances	-	300
Auditors Fees:		
Statutory Audit Fees	22	30
Tax Audit Fees	-	-
Total	1,606	8,724
Provision for Expenses:		
Audit Fees Payable	22	30
Total	22	30

VEGEPRO FOODS & FEEDS LIMITED

Note: 2.15 Contingent Liabilities represent

- Claims against the Company not acknowledged as debts in respect of court cases - amount unascertainable.
- Arrears of fixed cumulative dividend and tax thereon Rs.1033.50 lacs (Previous year Rs. 959.79 lacs) on 14% Cumulative Convertible Preference Shares the amount of dividend are in arrear since the Accounting period 1995-97, the period of allotment of Preference Shares.
- Liability which may arise due to appeals pending with Income Tax and Trade Tax Authorities - amount unascertainable.

Note: 2.16 The Company has closed its factory with effect from 11.10.2000 due to heavy accumulated losses vide its notice for closure dated 08.10.2000 and the information for closure has also been given to concerned Ministry and Departments. The Company was also referred to the Board for Industrial and Financial Reconstruction, New Delhi (B.I.F.R.) under Section 15(1) of the Sick Industrial Companies (Special provisions) Act, 1985(SICA) vide Company's letter dated 4th September 2000 for its revival and pending finalization, the Accounts of the Company have been prepared on a going concern basis. B.I.F.R. vide its order dated 19th August 2010 has recommended for winding up of the Company through the Hon'ble Allahabad High Court. However, the Company has already filed an appeal on 12.10.2010 before the Appellate Authority for Industrial and Financial Reconstruction (A.A.I.F.R.) against the said Impugned Order dated 19.08.2010 of the B.I.F.R. Pending outcome of the Appellate proceedings, which the Company expects to be on its favour, the Accounts of the Company for the Financial Year ended 31st March'2012 have been prepared on the basis that the Company is a going concern.

Note: 2.17 Income Tax assessment has been completed up to the Assessment Year 2011-2012 and no demand is outstanding for payment. Appeals filed by the Company in respect of several Assessment Years are still pending. No provision has been made for tax liability, if any, that may arise on disposal of such appeals as the amount is not ascertainable. No provision has been made for appeals pending before Trade Tax Authorities as the amount is not ascertainable.

Note: 2.18 In terms of Accounting Standard (AS-22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has determined the deferred tax assets as on 31.03.2012 but the same has not been recognized in view of uncertainty of future taxable income. In view of the brought forward losses no provision for taxation is required to be made as on 31st March, 2012.

Note: 2.19 Disclosure of detail pertaining to related party transactions in term of Accounting Standard (AS- 18):

(₹ '000)

Related Party	Relationship	Type of transaction	2011-12 (Amount)	2010-11 (Amount)
1. Dhanani International Ltd.	Associate Company	Amount received during the year	1954	2456
2. Dhanani International Ltd.	Associate Company	Amount receivable at the year end	3212	5166

Note: 2.20 There is no separate reportable segment as per Accounting Standard-17.

Note: 2.21 Impairment losses, if any, as per Accounting Standard (AS) 28 issued by the Institute of Chartered Accountants of India could not be computed as the Company has closed its factory with effect from 11.10.2000.

Note: 2.22

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Net profit/(loss) as per Profit and Loss Account	(2006.00)	(21505.00)
Less : Extra ordinary income (unsecured loan written off)	(6558.00)	0.00
b. Profit/Loss after Extraordinary items	(8564.00)	(21505.00)
Less : Preference dividend and tax	7371.00	7371.00
c. Net profit/(loss) for equity shareholders	(15935.00)	(28876.00)
d. Weighted average number of equity shares	21280.00	21280.00
e. Basic and diluted earning per share of Rs. 10/- each(in Rs.)	(0.75)	(1.36)

Potential equity shares are anti-dilutive as their conversion to equity shares would either increase profit per share or decrease loss per share from continuing ordinary activities. The effects of anti-dilutive potential equity have been ignored in calculating diluted earnings per share. Consequently, the basic and diluted earning per share of the company remain the same.

VEGEPRO FOODS & FEEDS LIMITED

Note : 2.23 As per Accounting Standard 15 "Employee Benefits" the disclosure of Employee benefits as defined in the Accounting Standard are given below:

a) Defined Contribution Plan :	2011-12	2010-11
Employer's Contribution of PF Fund		
PF Funds	12	20
b) Defined Benefit Plan:		
i) Leave encashment: The Company has not provided leave encashment as all the employees have availed off their leaves during the year and there was no dues in this account at the end of year.		
ii) Gratuity: During the year the company has made a provision of Rs. NIL lacs (0.07 lacs in- previous year) for gratuity as per the provisions of the Payment of Gratuity Act i.e. half month's salary for every completed year of service. Since there are only few employees in the company, the management does not see any need for actuarial valuation of the defined benefit plan.		

Note: 2.24 Previous year figures have been regrouped/recast wherever necessary to confirm to this year's presentation

Note: 2.25 Details of licensed capacity, installed capacity and actual production.

LICENSED CAPACITY	2011-12 (in tonnes)	2010-11 (in tonnes)
Solvent Extraction Plant (input basis)	Not applicable	Not applicable
Refinery	Not applicable	Not applicable
Texturised Soya Plant	Not applicable	Not applicable
Edible Soya Flour (FDS)	Not applicable	Not applicable
Dehauling Plant (Dall Mill)	Not applicable	Not applicable
Cattle Feed Plant	Not applicable	Not applicable
INSTALLED CAPACITY PER ANNUM (as certified by Company's Technical Expert)		
Solvent Extraction Plant (input basis)	120000	120000
Refinery	3000	3000
Texturised Soya Plant	2880	2880
Edible Soya Flour (FDS)	67500	67500
Dehauling Plant (Dall Mill)	50000	50000
Cattle Feed Plant	15000	15000
ACTUAL PRODUCTION	Nil	Nil

VEGEPRO FOODS & FEEDS LIMITED

Regd. Office : A/2, Rahiya Industrial Estate, Kalpi Road Dist: Jalaun Orai-285 001, U. P.

ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 24th Annual General Meeting of the company at Rahiya Industrial Estate, Kalpi Road Dist: Jalaun Orai-285 001, U. P at **10.00 am** on **Saturday, the 29th September, 2012.**

Folio No.

No. of Shares :

.....
Full name of the Member / Authorised Representative (in Block Letters)

.....
Signature

.....
Full name of the Proxy (in Block Letters)

.....
Signature

- Notes :**
- 1. Member/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
 - 2. Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

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VEGEPRO FOODS & FEEDS LIMITED

Regd. Office : A/2, Rahiya Industrial Estate, Kalpi Road Dist: Jalaun Orai-285 001, U. P.

PROXY

Ledger Folio No. :

No. of Shares :

I / We

of being Member / Members

of **Vegepro Foods & Feeds Ltd.** do hereby appoint

..... of

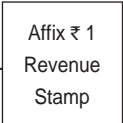
.....

or failing him/ her of

..... as my/our Proxy

in my / our absence to attend and vote for me / us, and on my / our behalf at the 24th Annual General Meeting of the Company, to be held at **10.00 am** on **Saturday, the 29th September, 2012** and at any adjournment thereof.

As Witness my / our hand/hands thisof2012



Signed by the Said

Note : The proxy form must be deposited at the Registered Office or at the Administrative Office of the Company **not less than 48 hours before** the time for holding the Meeting.

