

7th ANNUAL REPORT 1998-99



Vimal Oil & Foods Ltd.



Vimal Oil & Foods Ltd.

7th Annual Report 1998-99

BOARD OF DIRECTORS	: Shri Chandubhai J. Patel	Chairman
	Shri Jayesh C. Patel	Managing Director
	Shri Kantilal S. Patel	Director
	Shri Jayantibhai A. Patel	Director
	Shri Kantilal M. Guru	Director
	Shri Naranbhai S. Patel	Director
	Shri Khengarbhai Patel	Director
	Shri Dineshchandra L. Patel	Director
	Shri Dahyabhai S. Patel	Director

BANKERS	: Bank of India
	: The Mehsana Urban Co-op. Bank Ltd.

AUDITORS	: M/s. Rajesh Rasiklal Shah & Associates
	Chartered Accountants
	Ahmedabad.

COMPANY SECRETARY	: Jignesh A. Maniar
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REGISTERED OFFICE	: 31, G.I.D.C. Estate, Highway, Mehsana - 384 002.
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FACTORY	: At Village Hanumant Heduva
	Between Talvasna Railway Crossing
	Highway, Mehsana - 384 002.



Vimal Oil & Foods Ltd.

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Shareholders of **VIMAL OIL & FOODS LIMITED** will be held at 11.30 A.M. on Friday, the 24th day of September, 1999 at Company's factory at Village : Hanumant Heduva, Near Palavasna Rly. Crossing, Highway, Mehsana : 384-002 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date together with Schedules annexed thereto as well as the Directors and Auditors Report attached therewith.
2. To appoint a Director in place of Shri Jayantibhai A. Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Naranbhai S. Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Khengarbhia A. Patel who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "Act") any modification or re-enactment thereof and subject to such approvals, consents and sanctions as may be necessary, the Company hereby approves the re-appointment of Shri Jayesh C. Patel, as ~~Managing Director of the Company for a further period of five years with effect from 1st October,~~ 1999 on the terms and conditions as set out in the Explanatory Statement annexed hereto with liberty and powers to the Board of Directors to alter and Vary the said terms and conditions of re-appointment in such a manner as the Board of Directors may deem fit and as is acceptable to Mr. Jayesh C. Patel within the limits specified in Schedule XIII to the said Act as existing or as amended, modified or re-enacted from time to time or any guidelines issued by the Central Government from time to time".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an ordinary Resolution.

"RESOLVED in modification of the ordinary resolution passed by the company in the General Meeting held on 30th September, 1993 and 28th September 1995, that the company in General Meeting hereby accords its consents, confirmation and ratification in pursuance of section 293 (1) (d) and other applicable provisions of the Companies Act, 1956, to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any


Vimal Oil & Food Ltd.

specific purposes, provided however that the total amount so borrowed shall not exceed Rs. 50 Crores (Rupees Fifty Lacs only).

Regd. Office :

31, G.I.D.C. Estate,
Highway, Mehsana.

BY ORDER OF THE BOARD OF DIRECTORS

JIGNESH A. MANIAR
COMPANY SECRETARY

Date : 21st August, 1999.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to notify immediately the change of address, if any to the Company.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. The register of member and share transfer books of the Company will remain closed from 16th September, 1999 to 24th September, 1999 (both days inclusive).
5. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
6. Those Shareholders who have not encashed their Dividend Warrants for the financial years ended 31st March, 1996, 1997 and 1998 are requested to do so immediately or to contact at the Registered Office of the Company, for any assistance required.
7. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for shareholders and in respect of the shares can be obtained from the Registered Office of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

As required by Section 173(2) of the Companies Act, 1956 the following explanatory statements set out the material facts relating to the business to be transacted under item no. 6 & 7 of the Agenda of the notice.

ITEM NO. : 6

This item relates to re-appointment of Shri Jayesh C. Patel, as Managing Director of the company with effect from 1st October, 1999 for a further period of five years as his previous term of appointment as Managing Director of the Company expired on 30th September, 1999. Shri Jayesh C. Patel is B.E. (Computer) having wide experience in the field of Edible Oil, De-Oiled Cake and Milk and Other Milk Products.

Looking at the efforts put in by Shri Jayesh C. Patel to the development and progress of the company and the rich experience he has it would be in the interest of the company to appoint him as a Managing Director of the Company with substantial powers of the Management of the Company.

The principal terms of appointment(s) are, inter alia, as under :-

PERIOD OF AGREEMENT

Shri Jayesh C. Patel : 5 years with effect from 1st October, 1999.


Vimal Oil & Foods Ltd.

REMUNERATION

The Director shall be paid a salary of Rs.20,000/- (Rupees Twenty Thousand Only) per month.

PERQUISITES NOT TO BE INCLUDED IN COMPUTATION OF THE CEILING OF ON REMUNERATION :

The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above.

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- encashment of leave at the end of the tenure.

MINIMUM SALARY

In the event of any loss, or inadequacy of profits in any financial year of the Company during his tenure, the above remuneration and perquisites shall, nevertheless, be paid and allowed to him as the minimum remuneration for such year. However the total remuneration shall not exceed the limits prescribed under Part II of the Schedule XIII of the Company's Act, 1956 or as amended from time to time.

The Draft of the Agreement to be entered into by the Company with Mr. Jayesh C. Patel is available for inspection of Members of the Company at the Registered Office of the Company.

This may be treated as an abstract under Section 302 of the Companies Act, 1956 of the payment of remuneration to Shri Jayesh C. Patel.

Except Shri Jayesh C. Patel and Shri Chandubhai I. Patel, no other directors are concerned or interested in the above resolution.

ITEM NO. 7

As per Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of the Company can not borrow funds in excess of the paid up share capital and free reserves of the company without the prior consent of the members in General Meeting.

The Company had passed an Ordinary Resolution in the Extra Ordinary General Meeting held on 30th September, 1993 and in the Annual General Meeting held on 28th September, 1995 authorising the Board of Directors to borrow money in excess of the paid-up share capital and free reserves provided that the total amount so borrowed shall not exceed Rs.30 Crores (Thirty Crores Only).

In order to enable the Board of Directors to borrow funds for the implementing of its existing projects more efficiently, it is proposed to authorise the Board to borrow upto a total sum of Rs.50 Crores (Rupees Fifty Crores Only).

None of the Directors of the Company are in any way concerned or interested in the proposed Resolution except as Shareholders.

Regd Office.

31, G. I.D.C. Estate,
Highway, Mehsana

Date: 21st August, 1999.

BY ORDER OF THE BOARD OF DIRECTORS

JIGNESH A. MANIAR
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Seventh Annual Report and Annual Accounts of the Company for the year ended on 31st March, 1999.

FINANCIAL RESULTS :

(Rs. in Lacs)

	For the Year	Previous Year
	1998 - 99	1997 - 98
Profit before taxation	129.88	153.32
Provision for taxation	14.00	19.55
Profit after tax	115.88	133.77

APPROPRIATION :

Transfer to general reserve	100.00	100.00
Proposed Dividend	Nil	45.50
Balance Carried Forward	108.48	105.15

DIVIDEND :

In order to conserve the financial resources the Board of Directors of the company do not recommend any dividend for the year under review.

OPERATIONS

The Company's operations continued to be satisfactory :

(Rs. in Lacs)

	1998-99	1997-98
Sales and related income	15654.52	16243.33
Profit after tax	115.88	133.77

During the year under review the company's turnover has slightly decreased to Rs.15654.52 lacs from Rs. 16243.33 lacs. The direct exports has decreased considerably from Rs. 3241.35 lacs to Rs. 1349.28 lacs. The export through merchant export has also decreased from Rs. 1431.18 lacs to Rs.762.83 lacs.

Your directors are pleased to inform that our company has achieved Second highest export of Rapeseeds De-Oiled Cake in India. We are awarded as second highest exporter of Rapeseed Extraction for the year 1998-99 by the Solvent Extraction Association of India.

Your Directors are striving their utmost to improve the working of the company and expect the desired results in due course of time.

CURRENT WORKING

During the current year the company's working has been established and despite the general recessionary trends in the Indian economy the company expects to maintain the standing in the market and industry.


Vimal Oil & Food Ltd.
DIRECTORS :

Shri Jayantibhai A. Patel, Shri Naranbhai S. Patel and Shri Khengarbhai A. Patel retire as Directors by rotation and being eligible, offer themselves for re-election.

Shri Ganpatbhai K. Patel resigned as a Director of the Company.

LISTING :

Pursuant to the requirement of the Listing Agreement, the Company declares that its equity shares are listed on (1) The Ahmedabad Stock Exchange (Being the Regional Stock Exchange), Kamdhenu Complex, Near Sahajanand College, Panjrapole, Ahmedabad - 380 015. (2) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, 25th Floor, Dalal Street, Mumbai - 400 001. (3) The Delhi Stock Exchange Association Ltd., West Plaza, Indira Gandhi Stadium, Indraprastha Estate, New Delhi - 110 002.

The Company confirms that it has paid annual listing fees due to all the above Stock Exchanges for the year 1999-2000.

YEAR 2000 PREPAREDNESS STATUS

The Computer Hardware & Software of the Company are Y2K compatible. The expenditure to ensure Y2K compliance has not made any material financial impact.

INDUSTRIAL RELATIONS

The Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation of the devoted services by workers, staff and executives of the Company.

PARTICULARS OF EMPLOYEES :

The particulars of employees falling under the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules, 1975 are Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :

The additional information required under the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report, is annexed hereto.

AUDITORS :

You are requested to appoint auditors and fix their remuneration.

APPRECIATION :

Your Directors take note of and record their sincere appreciation for the useful Co-operation extended by Bank Of India, The Mehsana Urban Co-op Bank Ltd., and Industrial Development Bank of India and departments of both State and Central Governments.

ON BEHALF OF BOARD OF DIRECTORS
FOR, VIMAL OIL & FOODS LIMITED

Place : Mehsana

CHANDUBHAI J. PATEL

Date : 21st August, 1999.

CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of energy :

- a) Energy Conservation Measures Taken : the Company has tried to adopt the implementation suggested in Energy Audit Report.
- b) Additional investments and Proposals if any be being implemented for reduction of consumption of energy. : Nil
- c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : Nil

Form for disclosure of particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

	1998-99	1997-98
1. ELECTRICITY		
a. Purchased units	1658756	1832246
Total amount	6319150	5590069
Rate per unit	@ 3.80	@ 3.05
b. Own generation		
i. Through diesel generator		Nil
Units	623632	
Unit per lt. of diesel oil	3.64	
Cost/Unit	@ 3.04	
ii. Through steam turbine/ generator Units	Nil	Nil
Units per lt. of fuel oil/gas		
2. LDO OIL		
Quantity	Nil	Nil
Total cost (Rs.)		
Average rate		
3. LIGNITE		
Quantity	1292185	2567540
Total cost (Rs.)	852303	1633603
Average Rate (Rs. Per M.T)	@ 660	@ 639
4. GAS		
Quantity	1956333	1849108
Total cost (Rs.)	7301618	6761039
Rate per unit (Rs. Per SCM)	@ 3.73	@ 3.66