

**9**<sup>th</sup>

**ANNUAL REPORT  
2000-01**

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**Vimal Oil & Foods Ltd.**


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## 9th ANNUAL REPORT 2000-2001

**BOARD OF DIRECTORS** : **Shri Chandubhai I. Patel** *Chairman & Whole Time Director*  
**Shri Jayesh C. Patel** *Managing Director*  
**Shri Kantilal S. Patel** *Director*  
**Shri Jayantibhai A. 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**

**REGISTERED OFFICE** : 31, G.I.D.C. Estate  
 Highway  
 Mehsana - 384 002.

**FACTORY** : At : Village Hanumant Heduva  
 Nr. Palavasna Railway Crossing  
 Highway, Mehsana - 384 002

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## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of **VIMAL OIL & FOODS LIMITED** will be held at 1.30 A.M. on Saturday, the 29th day of September, 2001 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, 2001 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 declare dividend.
3. To appoint a Director in place of Shri Chandubhai I. Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

**"RESOLVED** THAT pursuant to the provisions under section 269 and other applicable provisions of the Companies Act, 1956 read with those in Schedule XIII thereof, the company in general meeting hereby accords its approval to the appointment of Shri Chandubhai I. Patel as Whole Time Director of the company liable to retire by rotation, for a period of five years from 1/08/2001 with remuneration till resolved otherwise and subject to the terms and conditions as contained in the draft agreement now placed before the meeting, duly initialled by the Chairman for the purpose of identification, which draft agreement be and it is hereby approved."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

**RESOLVED** THAT the consent of the company be and is hereby accorded for shifting of registered office from 31, G.I.D.C. Estate, Highway, Mehsana - 384 002 to 1/2, National Chambers, Nr. City Gold Cinema, Ashram Road, Ahmedabad - 380 009.

**RESOLVED FURTHER** THAT Shri Jayesh Patel, Managing Director of the company be and is hereby authorised to do all such acts, deeds, things which may be consequential or necessary to carry out the effects of the above resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Ahmedabad  
Date : 7th August, 2001.

**JIGNESH A. MANIAR**  
COMPANY SECRETARY

## 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. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business mentioned in the above notice is annexed hereto.
3. Item No : 6 regarding change of registered office outside local limits of any city, town or village as specified in sub-section(2) of section 146 requires consent of shareholders through postal ballot.
4. The register of members and share transfer books of the Company will remain closed from 20th September, 2001 to 29th September, 2001 ( both days inclusive ).
5. If the dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made to those members whose names are on the company's Register of Members on the 20th September, 2001.
6. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to the shareholders. Nomination forms can be obtained from the Registered Office of the company.
7. Members are requested to notify immediately the change of address, if any to the Company.
8. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
9. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year ended 31st March, 1996, and thereafter, which remains unpaid or unclaimed for period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.

Those Shareholders who have not encashed their Dividend Warrants are requested to do so immediately or to contact at the Registered Office of the Company, for any assistance required.



## ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

**ITEM NO. 5**

This item relates to appointment of Whole Time Director of the Company. Shri Chandubhai I. Patel is B. E. (Electrical) having wide experience in the field of Electric, Cables, Pumps, Dairy and Oil Industry since long.

Looking at the efforts put in by Shri Chandubhai I. Patel to the development and progress of the company it would be in the interest of the company to appoint him as Whole Time Director of the Company with substantial powers of the management of the company.

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

**Period of Agreement :**

Shri Chandubhai I. Patel : 5 years with effect from 1st August, 2001.

**1) Salary**

The Whole Time Director shall be paid as salary of Rs. 25000/- per month.

**2) Perquisites not to be included in computation of the ceiling on remuneration :**

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

(a) 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.

(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

(c) encashment of leave at the end of the tenure.

**3) Perquisites to be included in computation of ceiling of remuneration**

In addition to the salary and the commission as above the Whole Time Director shall be entitled to :

**1) Medical**

Reimbursement of medical expenses incurred for self and family subject to a ceiling of One Month's salary for a year or three months salary over a period a Block of 3 Years.

**4) 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.

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

**ITEM NO. 6**

Pursuant to the provisions of Section 146 of the Companies Act, 1956, except with the authority of a Special Resolution passed by the Company the registered office of the Company shall not be removed outside the local limits of any city, town or village. As such the Special Resolution is proposed for shifting of registered office to 1/2, National Chambers, Nr, City Gold Cinema, Ashram Road, Ahmedabad - 380 009.

The situation of the registered office is at a remote place and at number of times it becomes difficult for making correspondence and also the administrative inconvenience is caused as most of the government / statutory authorities are situated at Ahmedabad or Gandhinagar.

None of the Directors are concerned or interested in the above resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Ahmedabad  
Date : 7th August, 2001.

**JIGNESH A. MANIAR**  
COMPANY SECRETARY



# Vimal Oil & Foods Ltd.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Ninth Annual Report and Annual Accounts of the Company for the year ended on 31st March, 2001.

### FINANCIAL RESULTS :

	(Rs. in lacs)	
	For the	Previous
	Year	Year
	2000-2001	1999-2000
Profit before taxation	121.14	133.22
Provision for taxation	15.57	20.39
Profit after tax	105.57	112.83

### APPROPRIATION :

Transfer to general reserve	100.00	100.00
Dividend	54.60	45.50
Balance Carried Forward	26.78	75.81

### DIVIDEND :

Having regard to the surplus available for the year under review, the Directors recommend a final dividend at 12%. The total dividend will absorb a sum of Rs. 54.60 lacs.

### OPERATIONS

The Company's operations, continued to be satisfactory :

	(Rs. in lacs)	
	2000-2001	1999-2000
Sales and related income	12491.05	12902.06
Profit after tax	105.57	112.83

During the year under review the company's turnover has slightly decreased to Rs. 12491.05 lacs from Rs. 12902.06 lacs. This was mainly due to decline in the rate of the products. However direct exports has increased considerably from Rs. 344.89 lacs to 1006.44 lacs. The export through merchant export has also increased from Rs. 518.58 lacs to Rs. 710.38 lacs.

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

Despite the general economic slowdown, poor market sentiments and the damaging impact of the Gujarat earthquake the market looks sluggish. Also the liberalised imports in edible oil segment and large quantity of imports the edible oil market looks sluggish and goes through a recessionary trend. However your company expects to maintain the standing in the market and industry.

### DIRECTORS :

Shri Chandubhai I. Patel, retire as Director by rotation and being eligible, offers himself for re-election. Shri Kantilal M. Guru, Shri Khengarbhai Patel, Shri Naranbhai S. Patel, Shri Dineshchandra L. Patel and Shri Dahyabhai S. Patel resigned as Director of the Company. The Board noted and appreciated the valuable services rendered by them during their tenure as Directors of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 (hereinafter referred to as "the Act"), your Directors confirm that :

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2001 and of the profits of the Company for the year ended 31st March, 2001;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the Annual Accounts on a going concern basis.

### 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, Panjarapole, 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., DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002.

The Company confirms that it has paid annual listing fees due to all the above Stock Exchanges for the year 2001-2002.

### 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 : Ahmedabad  
Date : 7th August, 2001

CHANDUBHAI I. PATEL  
CHAIRMAN



# Vimal Oil & Foods Ltd.

## 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 :

- Energy Conservation Measures Taken : The Company has tried to adopt the implementation suggested in Energy Audit Report.
- Additional investments and proposals if any being implemented for reduction of consumption of energy: Nil
- 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

	2000-01	1999-2000
<b>1. ELECTRICITY</b>		
a. Purchased units	1629335	1449472
Total Amount	7660043	6382774
Rate per unit	@ 4.70	@ 4.40
b. Own generation		
i Through diesel generator		
Units	802712	728237
Unit per lt. of diesel oil	5.16	3.58
Cost/Unit	@ 3.50	@ 4.37
ii Through steam turbine/ generator		
Units	Nil	Nil
Units per lt. of fuel oil/gas		
<b>2. LDO OIL</b>		
Quantity	Nil	Nil
Total cost (Rs.)		
Average rate		
<b>3. LIGNITE</b>		
Quantity	2295410	2104640
Total cost (Rs.)	1259590	1130874
Average Rate (Rs. Per M.T)	@ 548	@ 537
<b>4. GAS</b>		
Quantity	1798405	1857595
Total cost (Rs.)	8396475	7996295
Rate per unit (Rs.Per SCM)	@ 4.66	@ 4.30

### B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (If any )	Current Year 2000-01	Previous Year 1999-2000
Products (with details)			
Electricity (KWH/M.T)	N.A	22.2262	22.3573

LDO Oil	N.A.	0.0000	0.0000
Coal (M.T/M.T)	N.A	0.0000	0.0000
Lignite (M.T/M.T)	N.A.	0.0313	0.0324
Gas (SCM/M.T)	N.A.	24.5325	28.6524

### FORM B

### B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION AS PER FORM B

#### RESEARCH AND DEVELOPMENT (R & D)

- Specific areas in which R & D is carried out by the Company : Nil
- Benefits derived as a result of the above R & D : Nil
- Future plan of action : Nil
- Expenditure on R & D
 

	2000-01	1999-2000
i) Capital	Nil	Nil
ii) Recurring	Nil	Nil
iii) Total	Nil	Nil
iv) Total R & D Expenditure as percentage of total turnover	Nil	Nil

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief, made towards technology absorption adoption and innovation : Nil
- Benefits derived as a result of the above efforts e.g. cost radiation, product development, import substitution: Nil
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) Following information may be furnished
  - Technology imported : Nil
  - Year of import : Nil
  - Has technology been fully absorbed : Nil
  - if not fully absorbed areas where this has not taken place, reasons thereof and future plan of actions: Nil

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans.

Company's exports have increased substantially by over 191 % to that of the past year and exports through Merchant exporter have increased by over 36% to that of the past year. The Company's efforts continue in development, and identification of new export markets and improving the share in the existing markets.

- Total Foreign Exchange used and earned.

Total Foreign Exchange earnings Rs. 10,06,44,378  
(US \$ 2198967.32)

Total foreign exchange outgo Rs. 77147428

Net foreign exchange earnings Rs. 23496950

On behalf of Board Of Directors  
FOR, VIMAL OIL & FOODS LIMITED

Place : Ahmedabad

Date : 7th August, 2001.

CHANDUBHAI I. PATEL  
CHAIRMAN




**Vimal Oil & Foods Ltd.**

### AUDITORS' REPORT

The Shareholders of  
Vimal Oil & Foods Ltd.

We have audited the Balance Sheet of **VIMAL OIL & FOODS LTD., Mehsana** as at March 31st, 2001 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report as under :-

- (1) As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of The Companies Act, 1956, in our opinion and on the basis of such checks as we considered appropriate and as per the information and explanations given to us during the course of the audit we annex herewith a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above, we state that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper Books of Account as required by law have been kept by the Company, so far as it appears from our examination of the Books.
  - (c) The Balance Sheet and Profit and Loss Account, dealt with in this report, are in agreement with the Books of Account.
  - (d) In our opinion and to the best of our informations the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in section 211(3c) of the Companies Act, 1956.
  - (e) In our opinion and on the basis of the written representations, received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and belief, and according to the explanations given to us, the said accounts read together with the notes forming part of the accounts and our comments in the Annexure attached herewith referred to in item (1) above, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - (i) in the case of the Balance Sheet of the state of affairs of the Company as at March 31st, 2001 and
    - (ii) in the case of the Profit and Loss of the Profit for the year ended on that date.

**FOR RAJESH RASIKLAL SHAH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

DATE : 7th AUGUST, 2001  
PLACE : AHMEDABAD

**(RAJESH R. SHAH)**  
PROPRIETOR

### ANNEXURE TO THE AUDITORS' REPORT

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 dated 7th September, 1988, issued by the Company Law Board Under Section 227 (4A) of the Companies Act, 1956, we report as under :

- (1) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets. As explained to us, all the assets were physically verified by management at reasonable intervals during the year and discrepancies noticed on such verification were not material and have been adjusted in books of accounts.
- (2) There has been no revaluation of Fixed Assets during the year.
- (3) The stocks of finished goods, stores, spare parts and raw materials, including stocks lying with third parties have been physically verified during the year by the management.
- (4) In our opinion, the frequency of verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (5) The discrepancies noticed on physical verification of the stocks as compared to the book records were not material and have been properly dealt with in the books of account.