

11 th

ANNUAL REPORT

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Vimal Oil & Foods Ltd.


Vimal Oil & Foods Ltd.

11th ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS :

Shri Chandubhai I. Patel	<i>Chairman</i>
Shri Jayesh C. Patel	<i>Managing Director</i>
Shri Vishnubhai L. Patel	<i>Whole Time Director</i>
Shri Kantilal S. Patel	<i>Director</i>
Shri Jayantibhai A. Patel	<i>Director</i>
Shri Mahendrabhai V. Patel	<i>Director</i>
Shri Mukesh N. Patel	<i>Director</i>
Shri Rajeshbhai D. Patel	<i>Director</i>

AUDIT COMMITTEE :

Shri Mahendrabhai V. Patel	- Chairperson
Shri Rajeshbhai D. Patel	
Shri Mukesh N. Patel	

**SHAREHOLDERS/
INVESTORS GRIEVANCE
COMMITTEE** :

Shri Mukesh N. Patel	- Chairperson
Shri Jayesh C. Patel	
Shri Mahendra V. Patel	
Shri Jignesh A. Maniar	

BANKERS :

Bank of India

AUDITORS :

M/s. Rajesh Rasiklal Shah & Associates
<i>Chartered Accountants</i>
Ahmedabad

COMPANY SECRETARY :

Jignesh A. Maniar

REGISTERED OFFICE :

1/2, National Chambers,
Nr. City Gold Cinema,
Ashram Road,
Ahmedabad - 380 009.

FACTORY :

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

**REGISTRAR & SHARE
TRANSFER AGENT** :

Intime Spectrum Registry Limited,
211, Sudarshan Complex,
Nr. Mithakhali Under Bridge, Navrangpura,
Ahmedabad - 380 009.


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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of VIMAL OIL & FOODS LIMITED will be held at 11.00 A.M. on Tuesday, the 30th day of September, 2003 at Company's Registered Office at 1/2, National Chambers, Nr. City Gold Cinema, Ashram Road, Ahmedabad - 380 009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2003 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 Jayantibhai A. Patel who retires by rotation and being eligible offers himself for re- appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED that M/s R. R. S. & Associates, Chartered Accountants, Ahmedabad, be and are hereby appointed as a Auditors of the Company to fill up the casual vacancy caused by the resignation of M/s Rajesh Rasiklal Shah & Associates, Chartered Accountants, until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between M/s R.R.S. & Associates and the Board of Directors of the Company."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution "RESOLVED that Shri Mahendrabhai V. Patel an Additional Director up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company"
6. To consider and if, thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution : "RESOLVED that Shri Vishnubhai L. Patel an Additional Director up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution "RESOLVED that Shri Mukesh N. Patel an Additional Director up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company."
8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution: "RESOLVED that Shri Rajeshbhai D. Patel an Additional Director up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company."
9. To consider and if thought fit, to pass with or without modification(s), 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 Vishnubhai L. Patel as Whole-Time Director of the company liable to retire by rotation, for a period of five years from 1st August, 2003 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 is hereby approved."
10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution: "RESOLVED that pursuant to Section 149(2A) and all other applicable provisions, of the Companies Act, 1956 approval of the Company be and is hereby accorded to the Board of Directors of the Company for commencing and undertaking all the activities relating to ceramics etc. as specified in Clause III C 46 of the Memorandum of Association of the Company."
11. To approve Voluntary Delisting of the Company's Equity Shares from The Delhi Stock Exchange Association Limited, New Delhi. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution: "RESOLVED that in terms of Guidelines issued by the Securities and Exchange Board of India (SEBI), and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to "the Board" to delist the Company's Equity Shares from The Delhi Stock Exchange Association Limited, New Delhi at such time as the Board may in its discretion, consider appropriate and on terms and conditions as may be stipulated and/or mutually agreed to in the best interest of the Company.

RESOLVED FURTHER that "the Board" be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."



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12. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that in modification of the ordinary resolution passed by the Extra Ordinary General Meeting of the Company held on 30th September, 1993 and in the 3rd Annual General Meeting held on 28th September, 1995 and in the 7th Annual General Meeting held on 24th September, 1999, that the Company in General Meeting hereby accords its consent, 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 specific purposes, provided however that the total amount so borrowed shall not exceed Rs. 150 Crores (Rupees One Hundred Fifty Crores Only)."

BY ORDER OF THE BOARD OF DIRECTORS

Place : Ahmedabad
Date : 7th August, 2003

JIGNESH A. MANIAR
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE, DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF 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. Members are requested to notify immediately the change of address, if any, & send all their communications relating to shares to the Registrar of the Company M/s Intime Spectrum Registry Limited situated at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad- 380 009.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. The register of members and share transfer books of the Company will remain closed from 22nd September, 2003 to 30th September, 2003 (both days inclusive).
6. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
7. Members who have not encashed their Dividend Warrant for the Financial Year ended on 31st March, 1996 and onwards are requested to approach the Company for revalidation / obtaining Duplicate Dividend Warrants.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund. It may be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

8. At the ensuing Annual General Meeting, Shri Jayantibhai A. Patel shall retire by rotation and being eligible, offer himself for re-appointment and Shri Mahendrabhai V. Patel, Shri Vishnubhai L. Patel, Shri Mukesh N. Patel and Shri Rajeshbhai D. Patel were appointed as Additional Director with effect from 16.01.2003 in the Board Meeting held on 10th January, 2003 to hold the office upto the ensuing Annual General Meeting. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment are given below :

1. Shri Jayantibhai A. Patel

Date of Birth	: 15/11/1942
Date of Appointment	: 14/05/1992
Qualification	: B.E.(Electrical)
Experience	: Shri Jayantibhai A. Patel was a Deputy Engineer in Gujarat Electricity Board. After resigning from Gujarat Electricity Board, he started the business of repairing and manufacturing of transformers since 1972. Then he ventured in to the business of manufacturing of low voltage boosters and manufacturing of PVC winding wires and PVC flat cables.
Directorship in other Public Limited Companies	: 1. Vimal Dairy Limited - Director 2. Vimal Flexsol Limited - Chairman & Managing Director 3. Vimal Cables Limited - Chairman & Managing Director
Membership of Committees in other Public Limited Companies	: NIL



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2. Shri Mahendrabhai V. Patel

Date of Birth : 05/11/1966
 Date of Appointment : 16/01/2003
 Qualification : B.com., L.L.B., F.C.A.,
 Experience : Shri Mahendrabhai V. Patel is a Chartered Accountant & is in practice since 1992.
 Directorship in other Private/Public Limited Companies : Soham Computers Pvt. Ltd.- Director
 Membership of Committees in other Public Limited Companies : NIL

3. Shri Vishnubhai L. Patel

Date of Birth : 11/10/1961
 Date of Appointment : 16/01/2003
 Qualification : 12th Pass
 Experience : Shri Vishnubhai L. Patel has a wide experience in the field of marketing of Edible Oil. He is engaged in the marketing of edible oil since last 10 years. He has contributed a lot to the growth of the company.
 Directorship in other Private/Public Limited Companies : NIL
 Membership of Committees in other Public Limited Companies : NIL

4. Shri Mukesh N. Patel

Date of Birth : 26/12/1980
 Date of Appointment : 16/01/2003
 Qualification : B.com.
 Experience : Shri Mukesh N. Patel is having experience in the field of Accounts & was looking after the day to day accounts of a public limited company.
 Directorship in other Private/Public Limited Companies : NIL
 Membership of Committees in other Public Limited Companies : NIL

5. Shri Rajeshbhai D. Patel

Date of Birth : 17/03/1971
 Date of Appointment : 16/01/2003
 Qualification : B.com.
 Experience : Shri Rajesh D. Patel is having experience in the field of Accounts & was looking after the day to day accounts of a public limited company.
 Directorship in other Private/Public Limited Companies : NIL
 Membership of Committees in other Public Limited Companies : NIL


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ANNEXURE TO NOTICE
EXPLANATORY STATEMENT AS REQUIRED UNDER 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 5 to 12 of the Agenda of the notice and should be taken as forming part of the Notice.

ITEM NO : 5

As per Listing Agreement the Board of Directors of the company shall have not less than 50% of the Board of Directors comprising of non-executive directors & Independent Directors in case of an executive chairman. Shri Mahendrabhai V. Patel is a Chartered Accountant & is in practice since 1992. To get the benefit of his experience in the field of accounts, it would be in the interest of the company to appoint him as Director of the company. Shri Mahendrabhai V. Patel was appointed by the Board of Directors as Additional Director with effect from 16th January, 2003 in the Board Meeting held on 10th January, 2003 to hold office up to the date of Annual General Meeting. The Company has also received a notice from some Shareholders proposing the appointment of Shri Mahendrabhai V. Patel as the Director of the Company alongwith a sum of Rs. 500, in accordance with the provisions of Articles of Association of the Company and Section 257 of the Companies Act, 1956.

Except Shri Mahendrabhai V. Patel none of the Directors are concerned or interested in the above resolution.

ITEM NO : 6

As per Listing Agreement the Board of Directors of the company shall have not less than 50% of the Board of Directors comprising of non-executive directors & Independent Directors in case of an executive chairman. Shri Vishnubhai L. Patel has a wide experience in the field of marketing of Edible Oil. He is engaged in the marketing of edible oil since last 10 years. He has contributed a lot to the growth of the company & his experience would be beneficial to the company, it would be in the interest of the company to appoint him as Director of the Company. Shri Vishnubhai L. Patel was appointed by the Board of Directors as Additional Director with effect from 16th January, 2003 in the Board Meeting held on 10th January, 2003 to hold office upto the date of Annual General Meeting. The Company has also received a notice from some Shareholders proposing the appointment of Shri Vishnubhai L. Patel as the Director of the Company along with a sum of Rs. 500, in accordance with the provisions of Articles of Association of the Company and Section 257 of the Companies Act, 1956.

Except Shri Vishnubhai L. Patel none of the Directors are concerned or interested in the above resolution.

ITEM NO : 7

As per Listing Agreement the Board of Directors of the company shall have not less than 50% of the Board of Directors comprising of non-executive directors & Independent Directors in case of an executive chairman. Looking at the experience in the field of Accounts and to broad base the board Shri Mukesh N. Patel was appointed by the Board of Directors as Additional Director with effect from 16th January, 2003 in the Board Meeting held on 10th January, 2003 to hold office up to the date of Annual General Meeting. The Company has also received a notice from some Shareholders proposing the appointment of Shri Mukesh N. Patel as the Director of the Company alongwith a sum of Rs.500, in accordance with the provisions of Articles of Association of the Company and Section 257 of the Companies Act, 1956.

Except Shri Mukesh N. Patel none of the Directors are concerned or interested in the above resolution.

ITEM NO : 8

As per Listing Agreement the Board of Directors of the company shall have not less than 50% of the Board of Directors comprising of non-executive directors & Independent Directors in case of an executive chairman. Looking at the experience in the field of Accounts and to broad base the board Shri Rajeshbhai D. Patel was appointed by the Board of Directors as Additional Director with effect from 16th January, 2003 in the Board Meeting held on 10th January, 2003 to hold office up to the date of Annual General Meeting. The Company has also received a notice from some Shareholders proposing the appointment of Shri Rajeshbhai D. Patel as the Director of the Company alongwith a sum of Rs.500, in accordance with the provisions of Articles of Association of the Company and Section 257 of the Companies Act, 1956.

Except Shri Rajeshbhai D. Patel none of the Directors are concerned or interested in the above resolution.

ITEM NO. 9

This item relates to appointment of Whole Time Director of the Company. Shri Vishnubhai L. Patel having due experience in the field of Marketing of Edible Oil since long.

Looking at the efforts put in by Shri Vishnubhai L. 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.

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

Period of Agreement :

Shri Vishnubhai L. Patel : 5 years with effect from 1st August, 2003.

1) Salary including perquisites to be included in the remuneration :-

The Whole Time Director shall be paid as salary in the slabe of Rs. 20,000 - Rs. 22,000- Rs.25,000/- 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.



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- (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) 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 Companies Act, 1956 or as amended from time to time.

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

None of the directors are concerned or interested in the above resolution except Shri Vishnubhai L. Patel.

ITEM NO. 10

This item relates to the commencement of new business relating to tiles etc. by the company. In order to diversify into certain new business ventures, the company has been considering various proposals including tiles business.

The Company is presently engaged in the manufacturing and refining Oil and De-Oil Cake. It is also engaged in powder plant & generation of electricity through Wind Mill. It would be benefited for the Company and the shareholders that the Company should diversify its activities into manufacturing of tiles business. These business activities are covered in clause III C 46 of the Company's Memorandum of Association.

As per provisions of Section 149(2A) of the Companies Act, 1956 approval of the shareholders in General Meeting is required for commencement of any business as set out under the others objects Clause of Memorandum of Association. Hence, the approval of Shareholders is sought to enable the Directors, at such time or times as they may consider appropriate and in the interest of the Company to commence and undertake the business specified in Clause III C 46 of the Memorandum of Association of the Company.

None of the Directors of your Company are concerned or interested in the above Resolution.

ITEM NO.11

The Company's Equity Shares are presently listed on The Stock Exchange, Ahmedabad, The Stock Exchange, Mumbai and The Delhi Stock Exchange Association Ltd., New Delhi.

SEBI has brought out revised guidelines in February 2003 regarding voluntary delisting of shares. According to the revised guidelines, your Company may delist from any one or more Stock Exchanges where the Company's Equity Shares are listed, provided the Company's Equity Shares are listed on either The Stock Exchange, Mumbai or the National Stock Exchange of India Limited.

With the networking of various centres of The Stock Exchange, Mumbai, the members of the Company have access to online dealings in the Company's share from any locations across the country.

As per the letter received from The Delhi Stock Exchange Association Ltd., New Delhi, letter no. DSE/LIST/NR/30 dated 4th August, 2003 no transaction /rate has been reported in respect of the shares of Vimal Oil & Foods Limited during the period 2002-03. As there are nil transaction traded of the shares of the company there is no benefits available to the shareholders of the Company by continuing the listing of the Company's Equity Shares on this exchange. Also the payment of listing fees and the various statutory compliances and repetitive formalities and procedures adds to the burden on the company. As such the proposed delisting from this Exchange will not adversely affect any investor including the members located in regions where the above Stock Exchange is situated.

The Board, after careful consideration, has decided, subject to the approval of the shareholders, to delist the Company's Equity Shares from The Delhi Stock Exchange Association Ltd.

As required under SEBI Regulations for voluntary delisting by the Company, member's approval by a Special Resolution is required for this purpose and hence the proposed resolution under Item No. 11 above.

The above resolution is in the interests of the Company and therefore, recommended by the Board for approval by the shareholders.

None of the Directors of the Company are concerned and/or interested in this resolution.

ITEM NO. 12

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 the General Meeting.

As on date the Board of Directors are authorised to borrow money in excess of the paid up share capital and free reserves provided that the total so borrowed shall not exceed Rs.50 Crores (Rupees Fifty Crores Only)

In order to enable the Board of Directors to borrow funds for the proposed project of Ceramic/ Tiles Unit, it is proposed to authorize the Board to borrow up to a total sum of Rs.150 Crores (Rupees One Hundred Fifty Crores Only).

None of the Director of your Company are concerned or interested in the above Resolution.

BY ORDER OF THE BOARD OF DIRECTORS

JIGNESH A. MANIAR

Company Secretary

Place : Ahmedabad

Date : 7th August, 2003


Vimal Oil & Foods Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Eleventh Annual Report and Annual Accounts of the Company for the year ended on 31st March, 2003.

FINANCIAL RESULTS

	(Rs. in lacs)	
	For the Year	Previous Year
	2002-2003	2001-2002
Sales Including Other Income	23637.81	15217.99
Profit before Interest, Depreciation & Taxation	514.68	389.00
Interest & Financial Charges	238.19	163.12
Depreciation	94.59	79.46
Profit Before Taxation	181.90	146.42
Provision for Taxation including For Deferred Tax	53.94	29.61
Profit After tax	127.96	116.81
Adding Thereto		
Balance B/F From Previous Year	71.78	29.06
Amounts Available for Appropriation	199.74	145.87
APPROPRIATIONS		
Dividend & Dividend Tax	102.66	68.25
General Reserve	50.00	5.84
Leaving Balance to be carried forward	47.08	71.78

DIVIDEND

The Directors recommend a final dividend of Rs.2 per share. The total dividend will absorb a sum of Rs.91 lacs.

OPERATIONS

The Company's operations, continued to be satisfactory :

	(Rs. in lacs)	
	2002-2003	2001-2002
Sales and related income	23637.81	15217.99
Profit after tax	127.96	116.81

The Sales & other income for the financial year under review, were Rs. 23637.81 lacs as against Rs.15217.99 lacs for the previous financial year registering an increase of 55.33%. This was mainly due to increase in the local sales of the company. However the exports has decreased from Rs. 1646.12 lacs to Rs.1543.24 lacs. The export through merchant export has also decreased from Rs.591.14 lacs to Rs.163.88 lacs. The Profit before tax (after interest and depreciation charges) of Rs. 181.90 lacs and the profit after tax Rs. 127.96 lacs for the financial year under review as against Rs. 146.42 lacs and Rs. 116.81 lacs respectively for the previous financial year, improved by 24.23% and 9.55% respectively.

CURRENT WORKING

During the current year the company has increased its refining capacity from 150 TPD to 350 TPD and the production of the expanded capacity has already commenced. The expansion has been financed from internal accruals and bank finance.

The Company intends to diversify its area of operation by setting up a Tiles division. However the proposal to diversify is still under consideration and the promoters would consider to venture only after the pre – feasibility study report is ready.

The Company's Trade Mark "VIMAL" under no. 608351 B has been registered under Trade and Merchandise Marks Act, 1958.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Jayantibhai A. Patel retire as Directors by rotation and being eligible, offers himself for re-appointment.

The Board of Directors has appointed Shri Mahendrabhai V. Patel, Shri Vishnubhai L. Patel, Shri Mukesh N. Patel & Shri Rajeshbhai D. Patel as Additional Directors of the company with effect from 16th January, 2003 in the Board Meeting held on 10th January, 2003.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- (ii) 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, 2003 and of the profits of the Company for the year ended 31st March, 2003;



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(iii) 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;

(iv) 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 (2) The Stock Exchange, Mumbai, (3) The Delhi Stock Exchange Association Ltd.

The Equity Shares of the Company are, at present, listed on abovementioned stock exchanges. The Shares of the Company are compulsorily traded in dematerialized form.

Specific attention of the Members is drawn to item no. 11 of the Notice of Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its Equity Shares from The Delhi Stock Exchange Association Limited. Listing on The Ahmedabad Stock Exchange and The Stock Exchange, Mumbai will continue. With the wide and extensive networking of centers of the BSE, the investors have access online dealing in the Company's securities across the country. The trading volume on The Delhi Stock Exchange Association Ltd., New Delhi is nil and the same has been confirmed by the Exchange vide their letter no: DSE/LIST/NR/30, dated August 4, 2003. Also the payment of listing fees and the various statutory compliances and repetitive formalities and procedures adds to the burden on the company. As such the proposed delisting from this Exchange will not adversely affect any investor including the members located in regions where the above Stock Exchange is situated.

The Company confirms that it has paid annual listing fees due to all the above Stock Exchanges for the year 2002-2003.

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.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the listing agreement with the Stock Exchanges, and Corporate Governance Report and Management Discussion and Analysis Report are annexed hereto and form part of this report.

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.

SECRETARIAL AUDIT

As directed by Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodically by a Practicing Company Secretary. The findings of the Secretarial Audit were entirely satisfactory.

AUDITORS

M/s Rajesh Rasiklal Shah & Associates, Chartered Accountants, Ahmedabad auditor of your company has expressed their unwillingness to continue as auditor of the company and tendered their resignation on 7th August, 2003. The Board of Directors has appointed M/s R. R. S. & Associates, the Chartered Accountants, Ahmedabad, subject to approval of shareholders of the company in the ensuing Annual General Meeting, as auditors of the company in the Board Meeting held on 7th August, 2003 to fill up the casual vacancy caused by the resignation of M/s Rajesh Rasiklal Shah & Associates, Chartered Accountants at such remuneration as mutually agreed upon between M/s R. R. S. & Associates, Chartered Accountants and the Board of Directors of the Company to hold the office upto the next Annual General Meeting.

APPRECIATION

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

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

CHANDUBHAI I. PATEL
Chairman

Place : Ahmedabad
Date : 7th August, 2003