

12th

ANNUAL REPORT

2003-04

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Vimal Oil & Foods Ltd.


Vimal Oil & Foods Ltd.

12th ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS :

Shri Jayesh C. Patel	<i>Chairman & Managing 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
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AUDITORS :

	M/s. R. R. S. & Associates
	<i>Chartered Accountants</i>
	Ahmedabad

COMPANY SECRETARY :

	Jignesh A. Maniar
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REGISTERED OFFICE ,:

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

	At : Village Hanumant Heduva Nr. Palavasna Railway Crossing Highway, Mehsana - 384 002
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**REGISTRAR & SHARE
TRANSFER AGENT** :

	Intime Spectrum Registry Limited, 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
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Vimal Oil & Foods Ltd.

CONTENTS	PAGE NOS.
Notice	2-5
Directors' Report	6-8
Corporate Governance	9-16
Management Discussion & Analysis	17-18
Auditors' Report	19-21
Balance Sheet	22
Profit & Loss Account	23
Schedules	24-29
Notes on Accounts	30-35
Cash Flow Statement	36


Vimal Oil & Foods Ltd.

NOTICE

NOTICE is hereby given that the Twelveth Annual General Meeting of the Members of **VIMAL OIL & FOODS LIMITED** will be held at **11.00 A.M. on Thursday, the 30th day of December, 2004** 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, 2004 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 Mahendrabhai V. Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 pursuant to the provisions of section 198, 269, 309 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, 2004 on the terms and conditions as set out in the Explanatory Statement annexed hereto and also specified in the draft agreement to be entered into by the Company with the appointee, (which draft is being placed before the meeting for approval) with liberty and powers to the Board of Directors to alter and vary the said terms and conditions of re-appointment in such manner as the Board of Directors may deem fit and as is acceptable to Shri 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, (including the execution of Agreement with the Managing Director) as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be and is hereby given pursuant to Section 293(1)(a) of the Companies Act, 1956 to the transfer of Powder Plant of the Company engaged in the business of manufacturing of skimmed milk powder installed and working at Village Hanumant Heduva, Nr. Palavasana Railway Crossing, Highway, Mehsana-384 002, to Vimal Dairy Limited at such consideration and with effect from such date as the Board of Directors of the Company may think fit and the Board of Directors of the Company (which shall include a Committee of Directors constituted for this purpose) be and is hereby authorised to complete the transfer of Powder Plant of the Company with such modifications as may be required by any of the concerned authorities or which it may deem to be in the interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid Resolution, the Board of Directors of the Company be and is authorised to do and perform all acts, deeds, matters and things as may be considered necessary or expedient including agreeing with changes /modifications, if any, required from time to time to implement the proposal."

Regd. Office:

½, National Chambers,
Nr. City Gold Cinema,
Ashram Road,
Ahmedabad-380 009.
Place : Ahmedabad
Date : 19th November, 2004

FOR VIMAL OIL & FOODS LTD.

Jayesh C. Patel

Chairman & Managing Director

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.



Vimal Oil & Foods Ltd.

3. The draft agreement referred to in Item No. 5 of the Notice, is available for inspection of the Members at the Registered Office of the Company on every working day between 11.00 a.m. and 1.00 p.m.
4. Business specified under Item No. 6 of the Notice relates to the passing of an Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956. Members may kindly note that in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the assent or the dissent of the members in respect of this Resolution is required to be sought through postal ballot and therefore, this item of business will not be transacted at the meeting. Accordingly, the relevant notice, the postal ballot form and a postage pre-stamped envelope have been separately sent to the shareholders. Depending upon the result of the postal ballot the said resolution will be deemed to have been passed on the date of Annual General Meeting as may be announced by the Chairman of the Meeting at the Meeting.
5. 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.
6. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 20th December, 2004 to 30th December, 2004 (both days inclusive).
8. Subject to the provisions of Section 205A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the Meeting, will be despatched /remitted commencing from the day after the annual general meeting to those Members whose names appear in the Register of Members of the Company/ statement of beneficial ownership maintained by the depositories as on close of business on 20th December, 2004.
9. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
10. Members who have not encashed their Dividend Warrant for the Financial Year ended on 31st March, 1998 and onwards are requested to approach the Company for revalidation / obtaining Duplicate Dividend Warrants.

In terms of the provisions of Section 205A of the Companies Act, 1956, dividends not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Accordingly, unclaimed dividend in respect of financial year 1996-97 has already been transferred to that fund in November, 2004. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after the said transfer.

11. At the ensuing Annual General Meeting, Shri Mahendrabhai V. Patel shall retire by rotation and being eligible, offer himself for re-appointment and Shri Jayesh C. Patel was re-appointed as Managing Director with effect from 01.10.2004 in the Board Meeting held on 30th October, 2004 for a period of five years subject to the approval of the Members in 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 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 Computech Pvt. Ltd.- Director
 Membership of Committees in other Public Limited Companies : NIL

2. Shri Jayesh C. Patel

Date of Birth : 04/06/1969
 Date of Appointment : 14/05/1992
 Qualification : B.E. (Computer)
 Experience : Shri Jayesh C. Patel has a wide experience in the field of Edible Oil, De-Oiled Cake and Milk and Other Milk Products. He is the Managing Director of the Company since 1st October, 1994. He has contributed a lot to the growth of the Company.
 Directorship in other Private/Public Limited Companies : 1. Vimal Dairy Limited
 2. Vimal Computers Pvt. Ltd.
 Membership of Committees in other Public Limited Companies : NIL


Vimal Oil & Foods Ltd.
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 no. 5 & 6 of the Agenda of the Notice and should be taken as forming part of the Notice.

ITEM NO : 5

This item relates to re-appointment of Shri Jayesh C. Patel, as Managing Director of the Company with effect from **1st October, 2004** for a further period of five years as his previous term of appointment as Managing Director of the Company expired on 30th September, 2004. 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 re-appoint him as a Managing Director of the Company and entrust him with substantial powers of management of the Company.

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

Period of Agreement :

5 years with effect from 1st October, 2004.

- (a) **SALARY** : The Managing Director shall be paid a salary of Rs ~~30,000/-~~ (Rupees ~~Twenty~~ Thousand Only) per month.
- (b) **PERQUISITES**: In addition to the above, the Managing Director shall be entitled to the following perquisites, restricted to an amount equal to annual salary. Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B', 'C' AS FOLLOWS:

CATEGORY 'A':

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These will be provided for as under:

(i) Housing I

The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling:

Sixty percent of the Salary, over and above ten percent payable by the Managing Director.

Housing II

In case the accommodation is owned by the Company, ten percent of the salary of the Managing Director shall be deducted by the Company.

Housing III

In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income-tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Managing Director.

- (ii) **Medical Re-imbursement**: Expenses incurred for the Managing Director and the Family subject to a ceiling of One month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession**: For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- (iv) **Club Fees**: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- (v) **Personal Accident Insurance**: Premium not to exceed Rs. 2,000/-.

Explanation:

For the purpose of Category 'A' family means the spouse, the dependent children and dependent parents of the Managing Director.

CATEGORY 'B':

- Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.
- Encashment of the leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.



Vimal Oil & Foods Ltd.

CATEGORY 'C':

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on the telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

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 s
- encashment of leave at the end of the tenure.

The Remuneration specified above comprising of salary & perquisites payable in aggregate shall not exceed the ceiling of 5% of the net profits of the Company for any financial year prescribed by section 309 of the Companies Act, 1956.

MINIMUM REMUNERATION :

In the event of any loss, or inadequacy of profits in any financial year of the Company during his tenure, the above salary 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, of the terms of appointment and remuneration to Shri Jayesh C. Patel.

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

ITEM NO. 6

The Company has been engaged in the manufacturing of skimmed milk powder (hereinafter referred to as "the Business") with an Annual Turnover of Rs.159.47 lacs in the year ended 31st March, 2004. The Business employs 8 employees and the Average Gross Capital employed in the Business is approx. Rs 420.77 lacs including Fixed Assets of approx. Rs. 420.77 lacs. The Company has been mainly engaged in the business of manufacturing and refining of edible oil. In the powder manufacturing division, during the last 2 years the Company has done only job work of outside parties. The Company has not produced powder for own business. The Company has been earning relatively less profit from powder manufacturing division as compare to the other division.

The management had in the circumstance decided to explore disposal of this business to a suitable international or local player. The Company received bid from Vimal Dairy Limited. On an evaluation of other relevant and material considerations such as the cultural fit, sharing of values and ensuring the Company's employees and business find a suitable home, transfer of business to Vimal Dairy Limited was seen to be the best option, both financially and otherwise.

Vimal Dairy Limited is engaged in the business of production of milk products and dairy products including cream, butter, ghee, cheese, paneer, milk powder, skimmed milk powder, condensed milk, pasteurized milk, tinned milk etc. with approx. turnover of Rs.3685.52 lacs. Vimal Dairy Limited has been incorporated in 1992 and its Plant located at Nr. Palavasana Railway Crossing, Highway, Mehsana. Vimal Dairy Limited is the largest producer and supplier of dairy products and milk products in Mehsana District, in Private Sector.

The transaction value is estimated at Rs.140.00 lacs, but could undergo variations depending upon adjustments required to be made at the completion date of the transaction for actual working capital etc. The transfer of business would be done as a going concern and by way of a slump sale.

The decision to transfer Powder Plant from the Company to Vimal Dairy Limited has been taken bearing in mind the fact that the long term future of the Business would be secured by its getting integrated with a leading milk products and dairy products company. This will secure the long term future of this business as also the future and well being of the employees and the trade associates connected with the Business.

The Board is satisfied that it would be in the best interest of the Company, its shareholders and its concerned employees and trade associates to transfer the said undertaking as referred to in the draft Ordinary Resolution to Vimal Dairy Limited.

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

The Board of Directors of the Company accordingly commends the Ordinary Resolution for approval by the members.

Regd. Office:

½, National Chambers,
Nr. City Gold Cinema,
Ashram Road,
Ahmedabad-380 009.

Place : Ahmedabad

Date : 19th November, 2004

FOR VIMAL OIL & FOODS LTD.

Jayesh C. Patel

Chairman & Managing Director


Vimal Oil & Foods Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their **Twelveth** Annual Report and Annual Accounts of the Company for the year ended on **31st March, 2004**.

The premises of the Company were searched on 20th August, 2004 and 21st August, 2004, by the Income-tax Department under Section 132 of the Income-tax Act, 1961, and had found and seized files, documents and other connected papers relating to the Books of Accounts, which had created difficulties in finalisation of Accounts of the previous financial year. The Company had requested for Extension of period for holding the Annual General Meeting u/s 166 read with Section 210 of the Companies Act, 1956 for the Financial Year ended on 31/03/2004 and the Registrar of Companies, Gujarat had granted the extension of that period up to 30/12/2004 to hold the Annual General Meeting.

FINANCIAL RESULTS

	(Rs. in lacs)
For the Year 2003-2004	Previous Year 2002-2003
Sales Including Other Income	24402.04
Profit Before Interest, Depreciation & Taxation	23628.34
Interest & Financial Charges	440.97
Depreciation	514.68
Profit Before Taxation	191.49
Provision for Taxation including For Deferred Tax	238.19
Profit After Tax	98.87
Adding Thereto	94.59
Balance B/F From Previous Year	150.61
Prior Period Adjustments	181.90
Amounts Available for Appropriation	57.63
APPROPRIATIONS :	53.94
Dividend & Dividend Tax	92.98
General Reserve	127.96
Leaving Balance to be carried forward	47.08
	43.28

DIVIDEND

The Directors recommend a final dividend of **Rs.1.50** per share. The total dividend will absorb a sum of **Rs.68.25** lacs.

OPERATIONS

The Company's operations, continued to be satisfactory

	(Rs. in lacs)
2003-2004	2002-2003
Sales and related income	24402.04
Profit after tax	23628.34
	92.98
	127.96

The Sales & other income for the financial year under review, were **Rs. 24402.04** lacs as against **Rs. 23628.34** lacs of the same for the previous financial year registering an increase of 3.27%. This was mainly due to increase in the local sales of the company. However the direct exports has decreased from Rs. 1543.24 lacs to Rs. 813.58 lacs. The export through merchant export has increased from Rs. 163.88 lacs to Rs. 504.48 lacs. The Profit before tax (after interest and depreciation charges) of **Rs. 150.61** lacs and the profit after tax **Rs. 92.98** lacs for the financial year under review as against Rs. 181.90 lacs and Rs. 127.96 lacs respectively for the previous financial year, reduced by 17.20% and 27.33% respectively.

CURRENT WORKING

In spite of the increase in the capacity of refining of edible oil in the District of Kutch due to various government benefits the Company's working is satisfactory. The prices of the Edible Oil in the international market are very volatile and hence this may affect the business in the near future.

UNCLAIMED DIVIDEND :

As per the provisions of Section 205A of the Companies Act, 1956, dividends that have not been claimed by the shareholders for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to the Investor Education and Protection Fund. Accordingly, an unclaimed amount of **Rs.61,740/- and Rs.84,720/-** related to the dividends for the year **1995-96 and 1996-97** respectively were transferred to the Investor Education and Protection Fund in November, 2003 and November, 2004 respectively.



Vimal Oil & Foods Ltd.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Mahendrabhai V. Patel, Director of the Company, retire by rotation at the ensuing annual general meeting and is eligible for re-appointment. Your directors commend his re-appointment.

The Board of Directors has re-appointed Shri Jayesh C. Patel as Managing Director of the Company for a period of five years with effect from 1st October, 2004 in the Board Meeting held on 30th October, 2004 subject to the approval of the members in the ensuing Annual General Meeting.

Shri Chandubhai I. Patel resigned as Director of the Company w.e.f. 22.10.2003. Shri Kantibhai S. Patel and Shri Jayantibhai A. Patel resigned as Directors of the Company w.e.f. 14.06.2004. Shri Vishnubhai L. Patel resigned as a Director of the Company w.e.f. 18.09.2004. The Board noted their resignations 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 :

- (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, 2004 and of the profits of the Company for the year ended 31st March, 2004;
- (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 (Being the Regional Stock Exchange), Kamdhenu Complex, Nr. Sahjanand College, Panjarapole, Ahmedabad-380 015. (2) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.

The Equity Shares of the Company have been delisted from The Delhi Stock Exchange Association Ltd. w.e.f. 08.03.2004.

The Company confirms that it has paid annual listing fees due to the above two Stock Exchanges for the year 2003-2004.

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

M/s R. R. S. & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing annual general meeting and are eligible for re-appointment.

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.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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

APPRECIATION

Your Directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company. The employees have worked based on principles of honesty, integrity and fair play and this has helped the Company in consolidating its financial strength. The directors also wish to place on record their appreciation to shareholders, Bank of India, and departments of both State and Central Governments for their continued support.

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

Place : Ahmedabad
Date : 19th November, 2004

Jayesh C. PATEL
Chairman & Managing Director


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 A

Disclosure of particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

	2003-04	2002-2003
1. ELECTRICITY		
a. Purchased units	1838016	2068336
Total Amount	8520840	9542857
Rate per unit	4.64	4.61
b. Own generation		
Through diesel Generator		
Units	320342.94	781157
Unit per lt. of diesel oil	4.77	4.20
Cost/Unit	5.03	4.87
2. LIGNITE		
Quantity	1953330	2917190
Total Cost Rs.	1257397	1779487
Average Rate	644	610
3. GAS		
Quantity	1786259	2007621
Total Cost Rs.	8244336	9132939
Rate per Unit (Rs. per SCM)	4.62	4.55

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity (KWH/M.T)	27.8483	26.3120
Diesel (M.T/M.T)	4.8536	9.9374
Lignite (M.T/M.T)	0.0296	0.0371
Gas (SCM/M.T)	27.0641	25.5397

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

	2003-04	2002-03
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 adaptation and innovation : Nil
- Benefits derived as a result of the above efforts e.g. cost reduction, product development, import substitution etc. : 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 decreased by over 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. 8,13,58,015 (US \$ 17,80,805)
Total foreign exchange outgo	Rs. 39,33,66,038
Net foreign exchange outgo	Rs. 31,20,08,023

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

Place : Ahmedabad
Date : 19th November, 2004

Jayesh C. PATEL
Chairman & Managing
Director