



Vimal Oil & Foods Ltd.

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13th ANNUAL REPORT 2004-2005


Vimal Oil & Foods Ltd.

13th ANNUAL REPORT 2004 - 2005

BOARD OF DIRECTORS	:	Shri Jayesh C. Patel Chairman & Managing Director Shri Mahendrabhai V. Patel Director Shri Mukesh N. Patel Director Shri Rajeshbhai D. Patel Director
AUDIT COMMITTEE	:	Shri Mahendrabhai V. Patel Chairman Shri Rajeshbhai D. Patel Shri Mukesh N. Patel
SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE	:	Shri Mukesh N. Patel Chairman Shri Jayesh C. Patel Shri Mahendrabhai V. Patel Shri Jignesh A. Maniar Company Secretary
BANKERS	:	Bank of India
AUDITORS	:	M/s. R. R. S. & Associates Chartered Accountants 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.
STOCK EXCHANGES WHERE SECURITIES ARE LISTED	:	1. The Ahmedabad Stock Exchange 2. The Stock Exchange, Mumbai
REGISTRAR & SHARE TRANSFER AGENT	:	Intime Spectrum Registry Limited 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.

**Vimal Oil & Foods Ltd.**

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Vimal Oil & Foods Ltd.

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of **VIMAL OIL & FOODS LIMITED** will be held at **11.00 A.M. on Thursday, the 15th day of September, 2005** 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 the company's Audited Balance Sheet as at 31st March, 2005 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 a dividend.
3. To appoint a Director in place of Shri Mukesh N. 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 a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 150,151,159,161 and 163(1) of the Companies Act, 1956 and such other applicable legislations including statutory modifications or re-enactments thereof, the Company hereby approves that the Register of Members, Index of Members and copies of all Annual Returns together with certificates and documents required to be maintained under the said provisions, be kept at the office of the Company's Registrar and Share Transfer Agent."

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

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to fix and pay the sitting fees for attending meeting of the Board of Directors and /or Committees thereof to the Non-Executive Directors (including independent Directors) within the limits prescribed by the Central Government under provisions of Section 310 of the Companies Act, 1956, as may be amended from time to time."

Regd. Office:

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

By order of the Board
FOR VIMAL OIL & FOODS LTD.

Place : Ahmedabad
Date : 8th August, 2005

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. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.
3. 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.

4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.
6. Members are requested to notify immediately changes, if any, in their address/bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar & Share Transfer Agent **M/s Intime Spectrum Registry Limited** whose office is situated at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad-380 009 with all necessary details, in respect of physical share folios.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **9th September, 2005 to 15th September, 2005** (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 dispatched /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 **8th September, 2005**.
9. Members who have not encashed their Dividend Warrants 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 dividends in respect of financial year **1996-97 have already been transferred to that fund on 6th 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. **The unclaimed dividends for the financial year 1997-98 are to be transferred to the Investor Education and Protection Fund in November, 2005**. Members who have so far not encashed the Dividend Warrants for the financial year 1997-98, are advised to submit their claims to the Company's Registered Office at 1/2, National Chambers, Nr. City Gold Cinema, Ashram Road, Ahmedabad-380 009.

10. Members who hold shares in the physical certificate forms and wish to make/ change nominations in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, may send the prescribed Form 2B to **M/s Intime Spectrum Registry Limited**, the Registrar and Share Transfer Agent of the Company, whose office is situated at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad- 380 009. Form No.2B is attached.
11. At the ensuing Annual General Meeting, **Shri Mukesh N. Patel** shall retire by rotation and being eligible, offers himself for re-appointment subject to the approval of the Members in the ensuing Annual General Meeting. Pursuant to Clause 49 of the Listing Agreement, the Particulars of Director seeking re-appointment are given below :

Name	: 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 and was looking after the day to day accounts of a public limited company.
Directorships in other Private / Public Limited Companies	: NIL
Memberships of Committees in other Public Limited Companies	: NIL


Vimal Oil & Foods Ltd.
ANNEXURE TO THE 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 statement sets out the material facts relating to the business to be transacted under items nos. 5 & 6 of the Agenda of the Notice and should be taken as forming part of the Notice.

ITEM NO. 5

In terms of the provisions of Section 163(1) of the Companies Act, 1956, the Company is required to keep the Register and Index of its Members, copies of all Annual Returns prepared under Section 159 together with copies of all certificates and documents required to be annexed thereto in terms of Section 161, at the Registered Office of the Company. In order to avoid parallel maintenance of records both at the Registered Office and at the place of the Registrar and Share Transfer Agent, as also to facilitate the latter to work more effectively and expeditiously, it has become necessary for the Company to shift the records from the Company's Registered Office to the office of M/s Intime Spectrum Registry Ltd., a SEBI registered Share Transfer Agent, appointed as the Transfer Agent of the Company in accordance with SEBI (Registrar to an issue and Share Transfer Agent) Rules, 1993, whose office is situated at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad-380 009, and hence the proposal has been placed before the meeting for approval.

The Board recommends the resolution for acceptance.

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

ITEM NO. 6

The amended Clause 49 of the Listing Agreement to be implemented by all the Listed Companies w.e.f. 1st January, 2006, inter alia, provides that fees/commission can be paid to the Non-Executive Directors (including independent directors) only after prior approval of shareholders in General Meeting.

Pursuant to Rule 10-B of the Companies (Central Government's) General Rules & Forms, 1956 read with Section 310 of the Companies Act, 1956, the Company can pay up to Rs.20,000 by way of Sitting Fees to the Directors for every meeting of the Board/Committee attended by them.

The Resolution is proposed to authorise Board of Directors to fix and pay the Sitting Fees within the limits prescribed under the said Rule 10-B.

At present the Company is not paying Sitting Fees to its existing Non-Executive Directors (including independent Directors).

The said Resolution is proposed as an enabling Resolution in order to comply with the said requirement of Clause 49 of the Listing Agreement, in case of such a need arising in future.

The Non-Executive Directors (including Independent Directors) viz. Shri Mahendrabhai V. Patel, Shri Rajeshbhai D. Patel and Shri Mukesh N. Patel will be entitled to the Sitting Fees, if decided to be paid, and hence are interested in the Resolution.

Regd. Office:

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

Place : Ahmedabad

Date : 8th August, 2005

By order of the Board
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 **Thirteenth** Annual Report and Annual Accounts of the Company for the year ended on **31st March, 2005**.

FINANCIAL RESULTS :

	For the Year 2004 - 2005	(Rs. in lacs) Previous Year 2003 - 2004
Sales Including Other Income	24502.20	24402.04
Profit Before Interest, Depreciation & Taxation	567.53	440.97
Interest & Financial charges	297.27	191.49
Depreciation	99.24	98.87
Profit Before Taxation	171.02	150.61
Provision For Taxation Including For Deferred Tax	65.75	57.63
Profit After Tax	105.27	92.98
Adding Thereto :Balance B\F From Previous Year	43.28	47.08
Prior Period Adjustments	0.00	30.39
Amounts Available For Appropriation	148.55	170.45
Appropriations :		
Dividend & Dividend Tax	83.01	77.17
General Reserve	50.00	50.00
Leaving Balance To Be Carried Forward	15.54	43.28

DIVIDEND :

Yours Directors are happy to recommend a final dividend of **16%** on the paid up share capital of the Company for the company's financial year ended March 31, 2005. The total dividend will absorb a sum of **Rs.72.80 Lacs**. Tax on dividend will be borne by the Company.

OPERATIONS :

The Company's operations, continued to be satisfactory :

	2004-2005	(Rs. in lacs) 2003-2004
Sales and related income	24502.20	24402.04
Profit after tax	105.27	92.98

The Sales & other income for the financial year under review, were **Rs.24502.20** lacs as against Rs.24402.04 lacs of the same for the previous financial year registering an increase of **0.41%**. The direct export sales have increased from Rs. 813.58 lacs to **Rs. 1050.23 lacs**. The export through merchant exporter has decreased from Rs.504.48 lacs to **Rs.475.88 lacs**. The Profit before tax (after interest and depreciation charges) of **Rs. 171.02 lacs** and the profit after tax **Rs. 105.27** lacs for the financial year under review as against Rs. 150.61 lacs and Rs. 92.98 lacs respectively for the previous financial year, improved by **13.55%** and **13.22%** respectively.

AFFAIRS OF THE COMPANY :

Relevant observations regarding the affairs of company and environmental factors affecting the current and future business of the Company have been specified in the Management Discussion & Analysis Report attached to this Directors' Report.

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.84,720/-** related to the dividend for the year **1996-97** was transferred to the Investor Education and Protection Fund on 6th November, 2004.

DIRECTORS :

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

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.



Vimal Oil & Foods Ltd.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2005 and of the profits of the Company for the year ended 31st March, 2005;
- (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.

AUDITORS' REPORT :

The Auditors' Report contains qualification in Note No. 7 of Notes on Accounts in Schedule X of the Accounts with reference to AS-11 : "Accounting for the effect of changes on Foreign Exchange Rates." The Board is of the view that the Company is following proper accounting treatment as per the applicable standards and as the Company is engaged in highly fluctuating business, it would be necessary for the Company to record the purchases and sales at the rate of actual receipt/payment basis. Thus any difference in exchange rate due to this would not largely affect the operations 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, Nr. Sahjanand College, Panjarapole, Ahmedabad-380 015. (2) **The Stock Exchange, Mumbai**, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.

The Company confirms that it has paid annual listing fees due to the above two Stock Exchanges for the year **2004-2005**.

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), a Practicing Company Secretary is carrying out Secretarial Audit quarterly. The findings of the Secretarial Audit were entirely satisfactory.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges a separate Report on Corporate Governance and Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance 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 : 8th August, 2005

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

	<u>2004-05</u>	<u>2003-04</u>
1. ELECTRICITY		
a. Purchased Units	1371384	1838016
Total Amount (Rs.)	6574470	8520840
Rate per unit	4.79	4.64
b. Own generation		
i Through diesel generator		
Units	251500	320343
Unit per ltr. of diesel oil	4.34	4.77
Cost/Unit	5.90	5.03
ii Through steam turbine/generator Unit	Nil	Nil
Units per lt. of fuel oil/gas		
2. LDO OIL		
Quantity	Nil	Nil
Total cost (Rs.)		
Average rate		
3. LIGNITE		
Quantity	1226190	1953330
Total cost (Rs.)	812735	1257397
Average Rate (Rs. Per M.T)	663	644
4. GAS		
Quantity	1576724	1786259
Total cost (Rs.)	7125035	8244336
Rate per unit (Rs. Per SCM)	4.52	4.62

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year <u>2004-05</u>	Previous Year <u>2003-04</u>
Products (with details)			
Electricity (KWH/M.T)	N.A	26.8883	27.8483
LDO Oil	N.A.	0.0000	0.0000
Disel (M.T/M.T)	N.A.	4.9311	4.8536
Lignite (M.T/M.T)	N.A.	0.0240	0.0296
Gas (SCM/M.T)	N.A.	30.9143	27.0641


Vimal Oil & Foods Ltd.
FORM B
B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :
RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company : Nil
2. Benefits derived as a result of the above R & D. : Nil
3. Future plan of action : Nil

4. Expenditure on R & D	<u>2004-05</u>	<u>2003-04</u>
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 :

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

FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans;

Company's exports have increased 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.

- b) **Total Foreign Exchange used and earned.**

Total Foreign Exchange earnings	Rs.105022637 (US \$2346510)
Total foreign exchange outgo	Rs.421633681
Net foreign exchange outgo	Rs.316611044

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

Place : Ahmedabad
Date : 8th August, 2005

JAYESH C. PATEL
Chairman & Managing Director