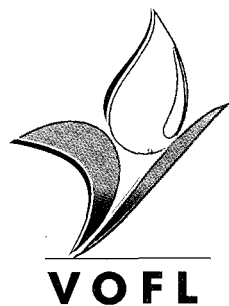


# Vimal Oil & Foods Ltd.

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14th Annual Report 2006-2007


**Vimal Oil & Foods Ltd.**

## 15th ANNUAL REPORT 2006 - 2007

<b>BOARD OF DIRECTORS</b>	: <b>Shri Jayesh C. Patel</b> <b>Shri Mahendrabhai V. Patel</b> <b>Shri Mukesh N. Patel</b> <b>Shri Harnarayan J. Patel</b>	Chairman & Managing Director
<b>AUDIT COMMITTEE</b>	: Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel	Chairman
<b>SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE</b>	: Shri Mukesh N. Patel Shri Jayesh C. Patel Shri Mahendrabhai V. Patel	Chairman
<b>REMUNERATION COMMITTEE</b>	: Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel	Chairman
<b>BANKERS</b>	: Bank of India	
<b>AUDITORS</b>	: <b>M/s. R. R. S. &amp; Associates</b> Chartered Accountants Ahmedabad.	
<b>REGISTERED OFFICE</b>	: 4th Floor, Heritage, Nr. The Grand Bhagwati, S.G. Highway, Ahmedabad – 380054.	
<b>FACTORY</b>	: At : Village Hanumant Heduva, Nr. Palavasna Railway Crossing, Highway, Mehsana - 384 002.	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	: <b>Intime Spectrum Registry Limited</b> 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.	



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# Vimal Oil & Foods Ltd.

## NOTICE TO THE SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the Fifteenth Annual General Meeting of the Members of **VIMAL OIL & FOODS LIMITED** will be held at **11.00 A.M. on Saturday, the 29<sup>th</sup> September, 2007** at Company's Registered Office at 4th Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad - 380 054 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31<sup>st</sup> March, 2007 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 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 of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

5. **To consider and if though fit, to pass with or without modification(s), the following Resolution as a Special Resolution for delisting of securities from Ahmedabad Stock Exchange:**

**"RESOLVED THAT** subject to the provisions of the Securities Contract (Regulation) Act, 1956, Listing Agreement with the Stock Exchanges and the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 and all other applicable laws, rules, regulations and guidelines and subject further to such approvals and sanctions as may be required, the Board of Directors be and is hereby Authorised to de-list the Equity Shares of the Company from the Ahmedabad Stock Exchange Limited, Ahmedabad."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby Authorised to do all such acts, deeds and things as it may consider necessary or expedient and do settle any question, difficulty or doubt that may arise in regard thereto. "

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

**JAYESH C. PATEL**  
*Chairman and Managing Director*

Place : Ahmedabad  
Date : 17th August, 2007

### 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, authorizing 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.
4. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and to hand over the slip at the entrance to the meeting.



## Vimal Oil & Foods Ltd.

5. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting.
6. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, 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 or to their respective depository participants if the shares are held in electronic form.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2007 to 29<sup>th</sup> September, 2007 (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 hours on 20<sup>th</sup> September, 2007.
9. Members who have not encashed their Dividend Warrants for the Financial Year 2000-2001 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 **1999-2000** had already been transferred to that fund on **12<sup>th</sup> May, 2007**. 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. Members are therefore requested to encash their dividend warrants immediately for subsequent financial year. Members are requested to write to the Company, if any dividend warrant is due and pending to be paid so that fresh / revalidated warrants could be issued by the Company.

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.
11. At the ensuing Annual General Meeting, **Shri Mukeshbhai 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 :

<b>Name</b>	: Shri Mukesh N. Patel
<b>Date of Birth</b>	: 26/12/1980
<b>Date of Appointment</b>	: 16/01/2003
<b>Qualification</b>	: B.Com.
<b>Experience</b>	: Shri Mukesh N. Patel is having experience in the field of accounts and was looking for day to day accounts of a public limited company. He has a wide experience in the field of finance, accounts and taxation matters.
<b>Directorships in other Private / Public Limited Companies</b>	: NIL
<b>Memberships of Committees in other Public Limited Companies</b>	: 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 item no. 5 of the Agenda of the Notice and should be taken as forming part of the Notice.

**ITEM NO. 5**

As per Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, a Company may seek voluntary delisting of its securities from all or some of the stock exchanges and further that an exit opportunity is not required to be provided in cases where such securities continued to be listed at a stock exchange having nationwide trading terminals i.e. The Stock Exchange, Mumbai and any other stock Exchange(s) that may be specified by SEBI in this regards.

At present, the equity shares of the Company are listed at The Bombay Stock Exchange Limited, Mumbai.

It is proposed to de-list the Equity shares of the Company from the Ahmedabad Stock Exchange Limited, Ahmedabad in view of its negligible/ nil trading at this exchange. Consent of members is sought to de-list the Equity Shares of the Company at the Stock Exchange at Ahmedabad as proposed in the Special Resolution.

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

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

Place : Ahmedabad  
Date : 17th August, 2007

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

**JAYESH C. PATEL**  
*Chairman and Managing Director*



# Vimal Oil & Foods Ltd.

## DIRECTORS' REPORT

To,  
The Members,

Your directors have pleasure in presenting the 15th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2007.

### FINANCIAL RESULTS :

	For the Year 2006 - 2007	(Rs. in lacs) Previous Year 2005 - 2006
Sales Including Other Income	49206.54	36335.55
Profit Before Interest, Depreciation & Taxation	1158.80	747.34
Interest & Financial charges	487.98	302.06
Depreciation	112.31	99.94
<b>Profit Before Taxation</b>	<b>558.51</b>	<b>345.33</b>
Provision For Taxation Including For Deferred Tax	215.83	143.62
<b>Profit After Tax</b>	<b>342.68</b>	<b>201.71</b>
<b>Adding Thereto :Balance B/F From Previous Year</b>	<b>135.37</b>	<b>15.54</b>
<b>Amounts Available For Appropriation</b>	<b>478.05</b>	<b>217.25</b>
<b>Appropriations :</b>		
Dividend & Dividend Tax	63.88	51.88
General Reserve	50.00	30.00
Leaving Balance To Be Carried Forward	364.17	135.37

### DIVIDEND :

The directors recommend a final dividend of 12% (Rs. 1.20 per Share) on the paid up share capital of the company. The total dividend will absorb a sum of Rs. 54.60 lacs excluding dividend tax.

### OPERATIONS :

The Company's operations, continued to be satisfactory:

	2006-2007	(Rs. in lacs ) 2005-2006
Sales and related income	49206.54	36335.55
Profit after tax	342.68	105.27

The Sales & other income for the financial year under review, were Rs.49206.54 lacs as against Rs.36335.55 lacs of the same for the previous financial year registering a record growth of 35.42%. The total export sales have increased from Rs. 1556.40 lacs to Rs. 2170.15 lacs. The Profit before tax (after interest and depreciation charges) of Rs. 558.51 lacs and the profit after tax Rs. 342.68 lacs for the financial year under review as against Rs. 345.33 lacs and Rs. 201.71 lacs respectively for the previous financial year, showing remarkable improvement of 61.73 % and 69.89 % 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.84800/-** related to the dividend for the year **1999-2000** was transferred to the Investor Education and Protection Fund on 12th May, 2007.

### DIRECTORS :

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

The brief resume/details relating to directors who are to be appointed/re-appointed are furnished in the notes and explanatory statement to the notice of the ensuing annual general meeting.





## 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, 2007 and of the profits of the Company for the year ended 31st March, 2007;
- 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) **Ahmedabad Stock Exchange Limited** (Being the Regional Stock Exchange), Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380 015. (2) **Bombay Stock Exchange Limited**, 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 2006-2007.

### 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.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Board of Directors of the Company had evolved and adopted a Code of Conduct based on the principles of Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company [www.vimaloil.com](http://www.vimaloil.com).

Compliance Report, in accordance with the Clause 49 of the Listing Agreements with Stock Exchanges, on Corporate Governance forms part of the Annual Report. The Auditors certificate on the compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement is attached hereto and forms part of this Report. The Management Discussion and Analysis Report is also annexed hereto and form part of this report.

### ACKNOWLEDGEMENT:

Your Directors place on records their sincere appreciation and gratitude to the Company's valued Customers, Bankers and Shareholders for their support and confidence in the Company.

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

Place : Ahmedabad  
Date : 17th August, 2007

**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 :

- a) Energy Conservation Measures Taken :
  - 1) Changing over to energy efficient equipments from conventional
  - 2) Preventive maintenance of machines to reduce energy loss.
  - 3) Increase in energy conversion efficiency of fuel in boiler by regular oxygen level monitoring
  - 4) Employees Training Program conducted for the awareness of energy conservation.
- b) Additional investments and proposal, if any, being implemented for reduction of consumption of energy: Various proposals/measures for reducing energy consumption are under consideration.
- c) Impact of the measure taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Impact has not been separately measured.

### FORM A

Disclosure of particulars with respect to conservation of energy:

### A. POWER AND FUEL CONSUMPTION

	<u>2006-07</u>	<u>2005-06</u>
<b>1. ELECTRICITY</b>		
a. Purchased Units	2322164	1924688
Total Amount (Rs.)	11185300	8612902
Rate per unit	4.82	4.47
b. Own generation		
i Through diesel generator		
Units	192723	379654
Unit per ltr. of diesel oil	5.84	5.41
Cost/Unit	6.16	6.05
ii Through steam turbine/generator Unit	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	2618250	2732860
Total cost (Rs.)	2170492	1913002
Average Rate (Rs. Per M.T)	829	700
<b>4. GAS</b>		
Quantity	1642078	1266700
Total cost (Rs.)	9282071	6567713
Rate per unit (Rs. Per SCM)	5.65	5.18

### B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year <u>2006-07</u>	Previous Year <u>2005-06</u>
Products ( with details)			
Electricity (KWH/M.T)	N.A	20.3604	22.1943
LDO Oil	N.A.	0.0000	0.0000
Diesel (M.T/M.T)	N.A.	1.6898	4.3779
Lignite (M.T/M.T)	N.A.	0.0230	0.0315
Gas ( SCM/M.T)	N.A.	14.3975	14.6068



# 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	2006-07	2005-06
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 results 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 total 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. 1,66,064,333
Total foreign exchange outgo	Rs. 5,05,239,751
Net foreign exchange outgo	Rs. 3,39,175,418

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

Place : Ahmedabad  
Date : 17th August, 2007

JAYESH C. PATEL  
Chairman & Managing Director