

Vimal Oil & Foods Ltd.



17th Annual Report 2008-2009


Vimal Oil & Foods Ltd.

17th ANNUAL REPORT 2008 - 2009

BOARD OF DIRECTORS : **Shri Jayesh C. Patel** Chairman & Managing Director
Shri Mahendrabhai V. Patel
Shri Mukesh N. Patel
Shri Harnarayan J. Patel

AUDIT COMMITTEE : **Shri Mahendrabhai V. Patel** Chairman
Shri Mukesh N. Patel
Shri Harnarayan J. Patel

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE : **Shri Mukesh N. Patel** Chairman
Shri Jayesh C. Patel
Shri Mahendrabhai V. Patel

REMUNERATION COMMITTEE : **Shri Harnarayan J. Patel** Chairman
Shri Mukesh N. Patel
Shri Mahendrabhai V. Patel

BANKERS : Bank of India
Bank of Baroda
Dena Bank

AUDITORS : **M/s. R. R. S. & Associates**
Chartered Accountants
Ahmedabad.

REGISTERED OFFICE : 4th Floor, Heritage, Nr. The Grand Bhagwati,
S.G. Highway, Ahmedabad – 380054.

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

REGISTRAR & SHARE TRANSFER AGENT : **Link Intime India Private 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 TO THE SHAREHOLDERS

NOTICE is hereby given that **The Seventeenth Annual General Meeting** of the members of **VIMAL OIL & FOODS LIMITED** will be held on **Wednesday, the 30th day of September 2009** at **11.30 A.M.** at the Registered Office of the Company 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 audited Balance Sheet of the company as on 31st March, 2009 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 on Preference Shares
3. To declare dividend on Equity Shares
4. To appoint a Director in place of Shri Mahendra V. Patel who retires by rotation and being eligible offers himself for re-appointment.
5. 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

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

Place : Ahmedabad
Date : 31st August, 2009

JAYESH C. PATEL
Chairman and 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, authorizing their representatives to attend and vote at the Annual General Meeting.
3. 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.
4. 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.
5. 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 Link Intime India Private 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2009 to 30th September, 2009 (both days inclusive).
7. 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 21st September, 2009.



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8. Members who have not encashed their Dividend Warrants for the Financial Year 2002-2003 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. 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.
9. 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 Link Intime India Private 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.
10. Members desiring to have any relevant information on the accounts at the Annual General Meeting are requested to write to the company at least seven days in advance at its registered office, so as to enable the company to keep the information ready.
11. At the ensuing Annual General Meeting, **Shri Mahendrabhai V. 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 Mahendrabhai V. Patel
Date of Birth	: 5 th November, 1966
Date of Appointment	: 16 th January, 2003
Qualification	: B.Com, LL.B., F.C.A
Experience	: Shri Mahendrabhai V. Patel is Chartered Accountant. He has wide experience in the field of finance, account and taxation matters.
Directorships in other Private / Public Limited Companies	: Soham Computech Private Limited
Memberships of Committees in other Public Limited Companies	: NIL


Vimal Oil & Foods Ltd.
DIRECTORS' REPORT

To,
The Members.

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	Current Year 2008 - 2009	(Rs. in lacs) Previous Year 2007 - 2008
Sales including Other Income	62387.00	63562.57
Profit Before Interest, Depreciation & Taxation	1391.93	1756.88
Interest & Financial charges	800.63	761.77
Depreciation	164.74	123.76
Profit Before Taxation	426.56	871.36
Provision For Taxation including Deferred Tax	143.73	312.80
Profit After Tax	282.83	558.56
Adding Thereto: Balance B/F From Previous Year	770.96	364.18
Amounts Available For Appropriation	1053.79	922.74
Appropriations:		
Dividend & Dividend Tax	153.85	101.78
General Reserve	50.00	50.00
Balance carried Forward	849.94	770.96

DIVIDEND :

The directors recommend a final dividend of Rs. 0.60 per share (6%) on 50,00,000 Preference shares, Rs. 0.80 per share (8%) on 1,00,00,000 Preference Shares and Rs. 1.20 per share (12%) on the paid up Equity share capital of the company.

OPERATIONS :

The Company's operations, continued to be satisfactory:

	2008-2009	(Rs. in lacs) 2007-2008
Sales and related income	62387.00	63562.57
Profit after tax	282.83	558.56

The Sales & other income for the financial year under review were Rs.62387.00 Lacs as against Rs. 63562.57/- Lacs of the same for the previous financial year. The total export sales for the financial year under review is Rs. 2880.87 lacs as against Rs. 3030.31/- Lacs for the previous financial year. The Profit before tax was Rs. 426.56 Lacs and the profit after tax was Rs. 282.83 Lacs for the financial year under review as against Rs. 871.36 Lacs and Rs. 558.56 Lacs respectively for the previous financial year.

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, 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.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- They have 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, 2009 and of the profits of the Company for the year ended 31st March, 2009;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts on a going concern basis.



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LISTING:

The Company's Shares are listed on Bombay Stock Exchange.

The Company has paid the annual listing fees to the above Stock Exchange for the financial year 2009-2010.

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.

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 wish to place on record their sincere appreciation and gratitude for the valuable support and co-operation received from the Customers and Suppliers, various Financial Institutions, Banks, Government Authorities, Auditors and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

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

Place : Ahmedabad
Date : 31st August, 2009

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) Installed new FBC Boiler for better efficiency & low fuel consumption.
 - 5) 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. The company has already carried out energy audit from outside agencies as per the statutory requirement.
- 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>2008-09</u>	<u>2007-08</u>
1. ELECTRICITY		
a. Purchased Units	2570338	2275408
Total Amount (Rs.)	15275669	10898025
Rate per unit	5.94	4.79
b. Own generation		
i Through diesel generator		
Units	219510	75742
Unit per ltr. of diesel oil	4.75	5.57
Cost/Unit	8.13	6.38
2. LIGNITE		
Quantity	3625195	3955180
Total cost (Rs.)	10054644	8491990
Average Rate (Rs. Per M.T)	2774	2147
3. GAS		
Quantity	1493565	1450538
Total cost (Rs.)	9870151	8812280
Rate per unit (Rs. Per SCM)	6.61	6.08

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year <u>2008-09</u>	Previous Year <u>2007-08</u>
Products (with details)			
Electricity (KWH/M.T)	N.A	32.4681	25.5972
Diesel (M.T/M.T)	N.A.	2.7728	0.8521
Lignite (M.T./M.T)	N.A.	0.0458	0.0445
Gas (SCM/M.T)	N.A.	18.8665	16.3178



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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	2008-09	2007-08
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 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.

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

Total Foreign Exchange earnings **Rs. 194180174**

Total foreign exchange outgo **Rs. 1256896075**

Net foreign exchange outgo **Rs. 1062715901**

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

Place : Ahmedabad
Date : 31st August, 2009

JAYESH C. PATEL
Chairman & Managing Director



Vimal Oil & Foods Ltd.

CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers, government, lenders and the community at large. It aims to increase and sustain corporate value through growth and innovation.

The Company's core value includes business ethics, Customer focus, professional pride, mutual respect, speed and innovation, excellence in manufacturing and total quantity. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time.

The policies and actions of the Company are in terms of applicable guidelines on Corporate Governance with endeavor to enhance shareholders' value.

2. Board of Directors :

> Composition, category of Directors and their other Directorships and Committee Memberships:

The present Board of the Company comprises Four Members – 1 Executive Director and 3 Non-Executive and independent Directors. The composition of Board of Directors, the number of other directorships or board committees of which he is a Member / Chairman is as under:

Name of Director	Category	Designation	Other Directorships/ Board Committees (Numbers)	
			Directorships	Board Committees
Shri Jayesh C. Patel	Promoter & Executive Director	Chairman & Managing Director	3	NIL
Shri Mahendrabhai V. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Mukeshbhai N. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Harnarayan J. Patel	Independent & Non-Executive Director	Director	1	NIL

Directorships in other companies mentioned above exclude directorships in private limited companies.

While calculating the number of Membership / Chairmanship in committees of other Companies, Membership / Chairmanship of only Audit Committee and shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the Listing Agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

None of the Directors are related to each other.

Board Meetings:

12 Board Meetings were held during the year 2008-2009, which are as under:

12 th April, 2008	24 th April, 2008	21 st June, 2008
22 nd July, 2008	30 th August, 2008	1 st September, 2008
19 th September, 2008	23 rd October, 2008	18 th November, 2008
31 st December, 2008	30 th January, 2009	16 th March, 2009

All the meetings of Board of the Company are scheduled well in advance and the Board meets at least once a quarter to review the quarterly performance and the financial results. Agenda of the meeting was prepared and all necessary papers were circulated to the members of Board in advance. All members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the Agenda for discussions.

> Attendance of Directors at the Board Meeting & Last Annual General Meeting:

Name of Director	Number of Meetings held during his tenure	Number of Meetings Attended	% Of Total Meetings Attended	AGM Attendance
Shri Jayesh C. Patel	12	12	100%	Yes
Shri Mahendra V. Patel	12	12	100%	Yes
Shri Mukesh N. Patel	12	12	100%	No
Shri Harnarayan J. Patel	12	12	100%	No