

Vimal Oil & Foods Ltd.



18 th Annual Report 2009 - 2010



Vimal Refined Cottonseed Oil



Vimal Filtered Groundnut Oil



Vimal Refined Soyabean Oil



Vimal Mustard Oil



Vimal Refined Sunflower Oil



Vimal Corn Oil



Vimal lite Premium Table Margarine

**18th ANNUAL REPORT
2009 - 2010**

| | | | |
|---|---|---|------------------------------|
| BOARD OF DIRECTORS | : | Shri Jayesh C. Patel Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel | Chairman & Managing Director |
| AUDIT COMMITTEE | : | Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel | Chairman |
| SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE | : | Shri Mukesh N. Patel Shri Jayesh C. Patel Shri Mahendrabhai V. Patel | Chairman |
| REMUNERATION COMMITTEE | : | Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel | Chairman |
| COMPANY SECRETARY | : | Shri Fagesh R. Soni | |
| AUDITORS | : | M/s. R R S & Associates Chartered Accountants Ahmedabad. | |
| BANKERS | : | Bank of India Bank of Baroda Dena Bank IDBI Bank | |
| REGISTERED OFFICE | : | 4 th 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. | |

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Vimal Oil & Foods Ltd.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that **The Eighteenth Annual General Meeting** of the members of **VIMAL OIL & FOODS LIMITED** will be held on **Thursday, the 30th day of September 2010 at 11:00A.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, 2010 and the Profit & 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 Mukesh N. 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 of Directors
FOR, VIMAL OIL & FOODS LTD.

Place : Ahmedabad
Date : 26th August, 2010

FAGESH R. SONI
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their Authorized Representative to attend the Meeting are required to send to the Company, a certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representatives to attend and vote on their behalf at the 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-380009 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 21st September, 2010 to 30th September, 2010 (both days inclusive).
7. Subject to the Provisions of Section 205A of the Companies Act, 1956, the 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 20th September, 2010.



8. Members who have not encashed their Dividend Warrants for the Financial Year 2003-2004 and onwards are requested to approach the Company for revalidation / obtaining Duplicate Dividend Warrants.

In terms of the provisions of Section 205A and 205C 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 (IEPF) established by the Central Government. Members are, therefore, requested to encash their dividend warrants immediately for subsequent financial year. Moreover, Members are requested to write to the Company, if any dividend warrant is due and pending to be paid, so that the fresh / revalidated warrants could be issued by the Company.

9. The unclaimed Dividend upto the Company's financial year ended 31st March 2002 has been transferred to the IEPF Fund of Central Government pursuant to sub-section 5 of Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants upto the financial year ended 31st March 2009 are requested to claim the same from the Registrar of the Companies, Gujarat at Ahmedabad.
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 in the prescribed Form 2B to M/s Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad- 380 009.
11. 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.
12. 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 :

| | |
|--|--|
| 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 an experience in the field of accounts and was looking for 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.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

| | Current Year 2009 - 2010 | (Rs. in lacs) Previous Year 2008 - 2009 |
|---|-----------------------------|---|
| Sales Including Other Income | 73443.60 | 62387.00 |
| Profit Before Interest, Depreciation & Taxation | 2222.82 | 1391.93 |
| Interest & Financial charges | 1283.72 | 800.63 |
| Depreciation | 213.07 | 164.74 |
| Profit Before Taxation | 726.04 | 426.56 |
| Provision For Taxation including Deferred Tax | 193.95 | 143.73 |
| Profit After Tax | 532.08 | 282.83 |
| Adding Thereto: Balance B/F From Previous Year | 849.94 | 770.96 |
| Amounts Available For Appropriation | 1382.02 | 1053.79 |
| Appropriations: | | |
| Dividend & Dividend Tax | 208.54 | 153.85 |
| General Reserve | 50.00 | 50.00 |
| Balance carried Forward | 1123.47 | 849.94 |

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. 1.50 per share (15%) on the paid up Equity share capital of the company.

OPERATIONS :

The Company's operations, continued to be satisfactory:

| | 2009 - 2010 | (Rs. in lacs) 2008 - 2009 |
|--------------------------|-------------|-------------------------------|
| Sales and related income | 73441.13 | 62316.49 |
| Profit after tax | 532.08 | 282.83 |

The Sales & other income for the financial year under review were Rs. 73441.13 Lacs as against Rs. 62316.49 Lacs of the same for the previous financial year. The total export sales for the financial year under review is Rs. 2965.76 lacs as against Rs.2880.87 Lacs for the previous financial year. The Profit before tax was Rs. 726.04 Lacs and the profit after tax was Rs. 532.08 Lacs for the financial year under review as against Rs.426.56 Lacs and Rs 282.83 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 Mukesh 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.

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, 2010 and of the profits of the Company for the year ended 31st March, 2010;
- 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.



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 2010-2011.

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.

CORPORATE GOVERNANCE:

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed after the Directors' Report and forms a part of this Report.

AUDITORS:

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

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 the Board of Directors
FOR, VIMAL OIL & FOODS LIMITED

Place : Ahmedabad
Date : 26th August, 2010

JAYESH C. PATEL
Chairman & Managing Director



IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY :

- a. Energy Conservation Measure Taken:
 - 1) Preventive maintenance of machines to reduce energy loss.
 - 2) Installed VFDS in major electric motors to cut down the electricity consumption.
 - 3) Installed windmills to hedge the power requirement of the Plant.
 - 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: In the current year no additional investments and proposal are being considered for reduction of consumption of energy. 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>2009-10</u> | <u>2008-09</u> |
|-----------------------------|-----------------|----------------|
| 1. ELECTRICITY | | |
| a. Purchased Units | 3041790 | 2570338 |
| Total Amount (Rs.) | 18124270 | 15275669 |
| Rate per unit | 5.96 | 5.94 |
| b. Own generation | | |
| i Through diesel generator | | |
| Units | 219865 | 219510 |
| Unit per ltr. of diesel oil | 4.17 | 4.75 |
| Cost/Unit | 7.12 | 8.13 |
| 2. LIGNITE | | |
| Quantity | 2381755 | 3625195 |
| Total cost (Rs.) | 9462289 | 10054644 |
| Average Rate (Rs. Per M.T) | 3973 | 2774 |
| 3. GAS | | |
| Quantity | 1745643 | 1493565 |
| Total cost (Rs.) | 10766574 | 9870151 |
| Rate per unit (Rs. Per SCM) | 6.17 | 6.61 |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | Standards (if any) | Current Year <u>2009-10</u> | Previous Year <u>2008-09</u> |
|--------------------------|------------------------|--------------------------------|---------------------------------|
| Products (with details) | | | |
| Electricity (KWH/M.T) | N.A | 31.8823 | 32.4681 |
| Diesel (M.T/M.T) | N.A. | 2.3045 | 2.7728 |
| Lignite (M.T./M.T) | N.A. | 0.0250 | 0.0458 |
| Gas (SCM/M.T) | N.A. | 18.2968 | 18.8665 |



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>2009-10</u> | <u>2008-09</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 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 as compare to 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. 174136886**

Total foreign exchange outgo **Rs. 1348920188**

Net foreign exchange outgo **Rs. 1174783302**

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

Place : Ahmedabad
Date : 26th August, 2010

JAYESH C. PATEL
Chairman & Managing Director