

Touching **hearts.** Transforming **future**



Vimal Oil & Foods Ltd.

19th Annual Report 2010 - 11

Vision

Our vision is to be a globally recognized Company producing and marketing the best world class quality food products by adopting latest environment friendly technology. We aim to build a strong brand loyal customer base for the years to come as well as to build trust and healthy relations among our employees, our investors and our society.

Mission

Healthy U, Happy U.

Vimal oil is a leading edible oil and food product Company in India and our mission is to discover, develop, innovate and successfully reach to each and every Indian family with the best-pure healthy oils and food products to fulfill our mission statement " Healthy u, Happy u".

In our journey to the top, we ensure to deliver the best value proposition as per global standards in each and every area for the total satisfaction of our customers, vendors & partners, investors & stakeholders, thus contributing towards our nation's growth.





19th ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS	:	Shri Jayesh C. Patel Shri Mahendra V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel	Chairman & Managing Director
AUDIT COMMITTEE	:	Shri Mahendra V. Patel Shri Mukesh N. Patel Shri Harnarayan J. Patel	Chairman
SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE	:	Shri Mukesh N. Patel Shri Jayesh C. Patel Shri Mahendra V. Patel	Chairman
REMUNERATION COMMITTEE	:	Shri Mahendra 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, Near The Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 054.	
FACTORY	:	At : Village Hanumant Heduva, Nr. Palavasna Railway Crossing, Highway, Mehsana - 384 002.	
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Link Intime India Private Limited 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.	



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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs, Government of India, has taken a “Green Initiative” in the Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report (shareholders communication) can be sent by e-mail to its Members. As a support this “Green Initiative” of the Government, Members who have not registered their e-mail id / addresses, so far, are requested to kindly register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form, are requested to kindly send the e-Communication Registration Form as attached with this Annual Report to Registrar and Share Transfer Agent of the Company (M/s. Link Intime India Limited).



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Nineteenth Annual General Meeting** of the Members of **VIMAL OIL & FOODS LIMITED** will be held on **Friday, 30th September, 2011** at **11.30A.M.** at the Registered Office of the Company at 4th Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad - 380 054 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2011, the Profit and Loss Account for the year ended on that date together with schedules annexed thereto and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri Harnarayan J. Patel who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

By order of the Board of Directors
For, VIMAL OIL & FOODS LTD.

Place : Ahmedabad
Date : 29th August, 2011

FAGESH R. SONI
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (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 THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (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 are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad, Gujarat - 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 be close from 21st September, 2011 to 30th September, 2011 (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, 2011.



8. Members who have not encashed their Dividend Warrants for the Financial Year 2004-2005 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, dividend warrants are 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. Therefore, Members are 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 fresh / revalidated warrants could be issued by the Company at the earliest.

9. The unclaimed dividend upto the financial year ended 31st March 2003 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 on 31st March, 2010 are requested to claim the same from the Registrar of the Companies, Gujarat at Ahmedabad.
10. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Registrar and Share Transfer Agent of the Company.
11. 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, at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad, Gujarat - 380 009.
12. 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.
13. At the ensuing Annual General Meeting, **Shri Harnarayan J. 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 Harnarayan J. Patel
Date of Birth	: 01/03/1943
Date of Appointment	: 29/06/2006
Qualification	: B.Com., C.A.
Experience	: Shri Harnarayan J. Patel is Chartered Accountant. He has wide experience in the field of finance, account and Taxation matter.
Directorships in other Private / Public Limited Companies	: i) Canon Capital And Finance Limited ii) Canon Commodity Markets Limited
Memberships of Committees in other Public Limited Companies	: NIL



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 19th Annual Report with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS :

	Current Year 2010 - 2011	(Rs. in lacs) Previous Year 2009 - 2010
Sales Including Other Income	113,981.57	73443.60
Profit Before Interest, Depreciation & Taxation	2,892.42	2222.82
Interest & Financial charges	1,138.88	1283.72
Depreciation	246.86	213.07
Profit Before Taxation	1,506.68	726.04
Provision For Taxation including Deferred Tax	472.05	193.95
Profit After Tax	1,034.63	532.08
Adding Thereto: Balance B/F From Previous Year	1,123.47	849.94
Amounts Available For Appropriation	2,158.11	1382.02
Appropriations:		
Dividend & Dividend Tax	312.80	208.54
General Reserve	50.00	50.00
Balance carried Forward	1,795.31	1123.47

DIVIDEND :

The Directors recommend a final dividend of Rs. 0.60 (6%) per share on 6% 50,00,000 Preference shares, Rs. 0.80 (8%) per share on 8% 1,00,00,000 Preference Shares and Rs. 1.50 (15%) per share on the paid up Equity Share Capital of the Company.

OPERATIONS :

The Company's operations, continued to be satisfactory:

	2010 - 2011	(Rs. in lacs) 2009 - 2010
Sales and related income	113,981.57	73443.60
Profit after tax	1,034.63	532.08

The Sales including other income for the financial year under review were Rs. 113981.57 Lacs as against Rs. 73443.60 Lacs which were recorded for the previous financial year.

The total export sales for the financial year under review were Rs. 4244.02 Lacs as against Rs. 2965.76 Lacs for the previous financial year. The Profit before tax was Rs. 1506.68 Lacs and the profit after tax was Rs. 1034.63 Lacs for the financial year under review as against Rs.726.04 Lacs and Rs 532.08 Lacs respectively for the previous financial year.

CAPITAL RAISING/ PREFERENTIAL ALLOTMENT OF SECURITIES AND UTILIZATION OF PROCEEDS RECEIVED FROM PREFERENTIAL ALLOTMENT:

Preferential Issues of Equity:

- I) In order to meet the fund requirements of the Company for its increasing long term working capital requirements and to redeem the Non – Cumulative Redeemable Preference Shares, the Company had come out with preferential allotment of Equity Shares to the promoters during the year at an issue price calculated under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on preferential basis duly approved by Shareholders and the Board of Directors of the Company
- II) On 14th September, 2010, the Company allotted, on preferential basis [in accordance with the Regulations for Preferential Issue containing in the Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009], 60,00,000 equity shares of Rs. 10/- to the promoters at premium of Rs.40.16/-, aggregating to Rs. 30,09,60,000/-.
- III) The entire proceeds have been utilized towards the long term working capital requirements.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Harnarayan J. Patel, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for 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:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. 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, 2011 and of the profits of the Company for the year ended 31st March, 2011;
- iii. 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;
- iv. They have prepared the Annual Accounts on a going concern basis.

LISTING :

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

The Company has paid the Annual Listing Fees to the above Stock Exchange for the Financial Year 2011-2012.

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) Amendment Rules, 2011 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. R R S & 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 : 29th August, 2011

JAYESH C. PATEL
Chairman & Managing Director


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 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>2010-11</u>	<u>2009-10</u>
1. ELECTRICITY		
a. Purchased Units	3640410	3041790
Total Amount (Rs.)	21261554	18124270
Rate per unit	5.84	5.96
b. Own generation		
i Through diesel generator		
Units	28249	219865
Unit per ltr. of diesel oil	5.65	4.17
Cost/Unit	8.03	7.12
2. LIGNITE / COAL		
Quantity	6335545	2381755
Total cost (Rs.)	32997584	9462289
Average Rate (Rs. Per M.T)	5208	3973
3. GAS		
Quantity	690049	1745643
Total cost (Rs.)	3623247	10766574
Rate per unit (Rs. Per SCM)	5.25	6.17

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year <u>2010-11</u>	Previous Year <u>2009-10</u>
<u>Products (with details)</u>			
Electricity (KWH/M.T)	N.A.	32.9825	31.8823
Diesel (M.T/M.T)	N.A.	0.2559	2.3045
Lignite/Coal (M.T./M.T)	N.A.	0.0574	0.0250
Gas (SCM/M.T)	N.A.	6.2519	18.2968



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>2010-11</u>	<u>2009-10</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. 2397.75 Lacs
Total foreign exchange outgo	Rs. 24320.42 Lacs
Net foreign exchange outgo	Rs. 21922.67 Lacs

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

Place : Ahmedabad
Date : 29th August, 2011

JAYESH C. PATEL
Chairman & Managing Director