



Vimal Oil & Foods Ltd.

20th Annual Report 2011 - 12



Empowering health & happiness
with focus on growth.

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 products Company in India and our mission is to discover, develop, innovate and successfully reach 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.





**20th Annual Report
2011-2012**

Board of Directors	:	Shri Jayesh C. Patel Chairman & Managing Director Shri Mahendrabhai V. Patel Shri Mukesh N. Patel Shri Alkesh B. Patel
Audit Committee	:	Shri Mahendrabhai V. Patel Chairman Shri Mukesh N. Patel Shri Jayesh C. Patel
Shareholders' / Investors' Grievance Committee	:	Shri Mukesh N. Patel Chairman Shri Jayesh C. Patel Shri Mahendrabhai V. Patel
Remuneration Committee	:	Shri Mahendrabhai V. Patel Chairman Shri Mukesh N. Patel Shri Alkesh B. Patel
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 Andra 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 – 3840 02
Registrar & Share Transfer Agent	:	M/s. Link Intime India Private Limited Unit No 303, 3 rd Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C.G. Road, 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, Shareholders who have not yet registered their e-mail ids / addresses, 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 Private Limited).



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Twentieth Annual General Meeting** of the Members of **VIMAL OIL & FOODS LIMITED** will be held on **Saturday, 29th September, 2012 at 11.30 A.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 at 31st March, 2012, the Statement of Profit and Loss Account for the year ended on that date together with 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 Mahendrabhai V. Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Alkesh B. Patel, who was appointed as an Additional Director of the Company pursuant to the provision of section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company.”

By Order of the Board of Directors
For, VIMAL OIL & FOODS LIMITED

Date : 28th August, 2012

Registered Office :

4th floor, Heritage, Near The Grand Bhagwati,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 054

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(s) 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 representative(s) to attend and vote on their behalf at the Meeting.
3. The relevant Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business in the 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.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Members holding shares in physical form are requested to notify change of address, bank mandates, if any, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited at Unit No 303, 3rd Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C. G. Road, Ahmedabad, Gujarat – 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 21st September, 2012 to 29th September, 2012 (both days inclusive).
8. 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, 2012.



9. Dividend for the financial year ended March 31, 2005, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government in the month of October, 2012, pursuant to the section 205A of the Companies Act, 1956. Members who have not encashed their Dividend Warrant(s) for the financial year ended March 31, 2005 or any subsequent financial year(s), are requested to approach the Company for revalidation / duplicate dividend warrants with the Company. Members are advised that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
10. Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 2003-04 have been transferred to the IEPF, pursuant to section 205C of the Companies Act, 1956 and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2003-2004.
11. 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.
12. 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 "Form 2B" as prescribed under the Companies (Central Government's) General Rules and Forms, 1956 to M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company, at Unit No 303, 3rd Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C. G. Road, Ahmedabad, Gujarat – 380 009.
13. Members desiring to have any relevant information on the accounts at the 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.
14. 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 herein 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 Fellow Member of the Institute of Chartered Accountants of India. He has wide experience in the field of finance, account and taxation. He is a Chairman of the Audit Committee and a Member of the Remuneration Committee & Share Holders' / Investors' Grievance Committee of the Company
Directorships in other Private / Public Limited Companies	: NIL
Memberships of Committees in Other Public Limited Companies	: NIL

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. 6 of the Agenda of the Notice and should be taken as forming part of the Notice.

ITEM NO. 6

The Board of Directors in its meeting held on 13th December, 2011 had appointed Shri Alkesh B. Patel as Additional Non-Executive and Independent Director of the Company in terms of section 260 of the Companies Act, 1956 and hold office only up to the date of ensuing Annual General Meeting. The Company has received notices under section 257 of the Companies Act, 1956 from certain Members of the Company along with the requisite amount, proposing appointment of Shri Alkesh B. Patel as Director of the Company liable to retire by rotation.

Shri Alkesh B. Patel, ages 38 years, is a Chartered Accountant. He is a practicing Chartered Accountant. He has vast experience in audit, taxation and accountancy preparation of project reports. His key performance areas included finalization of accounts, budget preparation, budgetary controls, cash flow statements, MIS reports, banking relationship and negotiating working capital and term loan facilities for the clients.

In view of his versatile experience, the Board expects that with his induction as a Member of the Board, he will prove to be an asset to the Company.

The Board of Directors recommends the resolution for appointment of Shri Alkesh B. Patel as Director of the Company liable to retire by rotation for your approval.

None of the Directors except Shri Alkesh B. Patel is concerned or interested in the Resolution.

Date : 28th August, 2012

Registered Office :

4th floor, Heritage, Near The Grand Bhagwati,
Sarkhej-Gandhinagar Highway,
Ahmedabad-380 054

**By Order of the Board of Directors
For, VIMAL OIL & FOODS LIMITED**

**FAGESH R. SONI
Company Secretary**



DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the 20th Annual Report with the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

(₹ in lakhs)

PARTICULARS	Current Year 2011-12	Previous Year 2010-11
Sales Including Other Income	124820.08	113981.56
Profit Before Interest, Depreciation & Taxation	2816.03	2892.43
Interest & Financial charges	1629.33	1138.89
Depreciation	262.79	246.86
Profit Before Taxation	923.91	1506.68
Provision For Taxation including Deferred Tax	342.39	472.05
Profit After Tax	581.52	1034.63
Adding Thereto: Balance B/F From Previous Year	1795.30	1123.47
Amounts Available For Appropriation	2376.82	2158.10
Appropriations:		
Dividend & Dividend Tax	274.98	312.80
General Reserve	50.00	50.00
Balance carried Forward	2051.84	1795.30

DIVIDEND:

The Directors recommend a final dividend of ₹ 0.60 (6%) per Share on 6% 50,00,000 Preference Shares, ₹ 0.80 (8%) per Share on 8% 1,00,00,000 Preference Shares and ₹ 1.20 (12%) per Share on the paid up Equity Share Capital of the Company.

OPERATIONS:

The Company's operations, continued to be satisfactory:

	2011-12	2010-11
Sales Including Other Income	124820.08	113981.56
Profit after tax	581.52	1034.63

The sales including other income for the financial year under review were ₹ 124820.08 lakhs as against ₹ 113981.56 lakhs which were recorded for the previous financial year.

The total export sales for the financial year under review were ₹ 4380.37 lakhs as against ₹ 4244.03 lakhs for the previous financial year. The profit before tax was ₹ 923.91 lakhs and the profit after tax was ₹ 581.52 lakhs for the financial year under review as against ₹ 1506.68 lakhs and ₹ 1034.63 lakhs respectively for the previous financial year.

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

Further Issues of Equity:

- I) In order to meet the fund requirements of the Company for its increasing long term working capital requirements, for redemption of the Non-Cumulative Redeemable Preference Shares, for investment in other Bodies Corporate and/or Group Companies and for General Corporate purposes, the Company had come out with allotment of Equity Shares on preferential basis to the non-promoters in the Month of June- 2012 at an issue price calculated under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on preferential basis duly approved by the Shareholders and decided by the Board of Directors of the Company.
- II) On 4th July, 2012, 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], 8,70,000 Equity Shares of ₹ 10/- to the non promoters at premium of ₹ 55/-, aggregating to ₹ 5,65,50,000/-.
- III) The entire proceeds are utilized towards the long working capital Requirements.

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.



The brief resume / details relating to Director who is to be appointed/re-appointed are furnished in the notes.

During the year, Shri Harnarayan J. Patel retired from the Board of Director of the Company w.e.f. 30th September, 2011. Your Directors wish to record their gratitude and appreciation for the contribution by Shri Harnarayan J. Patel during his tenure as Directors of the Company.

Shri Alkesh B Patel has been inducted as an Additional Director with effect from 13th December, 2012 and hold office up to ensuing Annual General Meeting of the Company. The Company has received notice from Members under section 257 of the Companies Act, 1956, signifying their intention to propose the candidature of above mentioned person for the office of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956 (hereinafter referred to as "the Act"), The Board of Directors of the Company hereby state and confirm that:

- i. In the preparation of the Annual Accounts, for the year ended 31st March, 2012 the applicable accounting standards have been followed by the Company along with proper explanation relating to material departure, if any;
- 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, 2012 and of the profits of the Company for the year ended 31st March, 2012;
- 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 the Bombay Stock Exchange Limited, Mumbai.

The Company has paid the Annual Listing Fees to the above Stock Exchange for the financial year 2012-2013.

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 at 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.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self explanatory, if any, and needs no further explanation.

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**



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>2011-12</u>	<u>2010-11</u>
1. ELERCTRICITY		
a. Purchased Units	4205285	3640410
Total Amount (₹)	26571535	21261554
Rate per Unit	6.32	5.84
b. Own generation		
I. Through diesel generator		
Units	21973	28249
Unit per ltr. of diesel oil	4.97	5.65
Cost/Unit	9.16	8.03
2. LIGNITE / COAL		
Quantity	1985875	6335545
Total cost (₹)	16052801	32997584
Average Rate (₹ Per M.T)	8083	5208
3. GAS		
Quantity	3490275	690049
Total cost (₹)	30957425	3623247
Rate per unit (₹ Per SCM)	8.87	5.25

B CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year 2011-12	Previous Year 2010-11
Products (with details)			
Electricity (KWH/M.T)	N.A	29.2963	32.9825
Diesel (M.T/M.T)	N.A	0.1531	0.2559
Lignite/coal (M.T/M.T)	N.A	0.0138	0.0574
Gas (SCM/M.T)	N.A	24.3152	6.2519



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

	2011-12	2010-11
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	₹ 2154.78 lakhs
Total Foreign Exchange outgo	₹ 24338.78 lakhs
Net Foreign Exchange outgo	₹ 22184.00 lakhs

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

**Place: Ahmedabad
Date : 28th August, 2012**

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