



**Vimal Oil & Foods Ltd.**

**21<sup>st</sup> Annual Report 2012 - 13**

**Progressive actions**  
**Healthy 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.

## 21<sup>st</sup> Annual Report 2012-2013

<b>Board of Directors</b>	:	<b>Shri Jayesh C. Patel    Chairman &amp; Managing Director</b> <b>Shri Mahendrabhai V. Patel</b> <b>Shri Mukesh N. Patel</b> <b>Shri Alkesh B. Patel</b>
<b>Audit Committee</b>	:	Shri Mahendrabhai V. Patel    Chairman Shri Mukesh N. Patel Shri Jayesh C. Patel
<b>Shareholders' / Investors' Grievance Committee</b>	:	Shri Mukesh N. Patel    Chairman Shri Jayesh C. Patel Shri Mahendrabhai V. Patel
<b>Remuneration Committee</b>	:	Shri Mahendrabhai V. Patel    Chairman Shri Mukesh N. Patel Shri Alkesh B. Patel
<b>Company Secretary</b>	:	Shri Fagesh R. Soni
<b>Auditors</b>	:	<b>M/s. R R S &amp; Associates</b> Chartered Accountants Ahmedabad
<b>Bankers</b>	:	Bank of India Bank of Baroda Dena Bank IDBI Bank Andra Bank Punjab National Bank
<b>Registered Office</b>	:	4 <sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad – 380 054
<b>Factory</b>	:	At: Village Hanumant Heduva, Nr. Palavasna Railway Crossing, Highway, Mehsana – 384 002
<b>Registrar &amp; Share Transfer Agent</b>	:	<b>M/s. Link Intime India Private Limited</b> Unit No 303, 3 <sup>rd</sup> 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 **Twenty First Annual General Meeting** of the Members of **VIMAL OIL & FOODS LIMITED** will be held on **Monday, September 30, 2013** at **11.30 A.M.** at the Registered Office of the Company at 4<sup>th</sup> 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 Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date 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 Mukesh N. 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 LIMITED*

Date : August 13, 2013

**FAGESH R. SONI**  
**Company Secretary**

### **Registered Office:**

4<sup>th</sup> Floor, Heritage,  
Near The Grand Bhagwati,  
Sarkhej – Gandhinagar Highway,  
Ahmedabad – 380 054

### **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. 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 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, 3<sup>rd</sup> 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2013 to September 30, 2013 (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 September 20, 2013.



8. Dividend for the financial year ended March 31, 2006, 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, 2013, pursuant to the section 205A of the Companies Act, 1956. Members who have not encashed their Dividend Warrant(s) for the Financial Year ended on March 31, 2006 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.
9. Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 2004-05 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 2004-2005.
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 form 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, 3<sup>rd</sup> Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C. G. Road, Ahmedabad, Gujarat – 380 009.
12. 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.
13. At the ensuing Annual General Meeting, **Shri Mukesh 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 herein below:

<b>Name</b>	: Shri Mukesh N. Patel
<b>Date of Birth</b>	: December 26, 1980
<b>Date of Appointment</b>	: January 16, 2003
<b>Qualification</b>	: Bachelor of Commerce (B.Com.)
<b>Experience</b>	: Shri Mukesh N. Patel is commerce graduate and having wide experience in the field of finance and accounting. He is a Member of the Audit Committee, Shareholder Grievance Committee and the Remuneration Committee of the Company.
<b>Directorships in other Private / Public Limited Companies</b>	: <b>Vimal Dairy Ltd</b>
<b>Memberships of Committees Other Public Limited Companies</b>	: <b>Vimal Dairy Ltd</b> (Chairman – Audit Committee)

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

Date : August 13, 2013

**FAGESH R. SONI**  
**Company Secretary**

**Registered Office:**  
4<sup>th</sup> Floor, Heritage,  
Near The Grand Bhagwati,  
Sarkhej – Gandhinagar Highway,  
Ahmedabad – 380 054

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors have pleasure in presenting the **Twenty First Annual Report** with the Audited Accounts for the financial year ended March 31, 2013.

### FINANCIAL RESULTS:

(₹ in lakhs)

PARTICULARS	Current Year 2012-13	Previous Year 2011-12
Sales Including Other Income	194825.60	124900.96
Profit Before Interest, Depreciation & Taxation	5478.32	2816.03
Interest & Financial charges	2995.33	1629.33
Depreciation	280.35	262.79
<b>Profit Before Taxation</b>	<b>2202.64</b>	<b>923.91</b>
Provision For Taxation including Deferred Tax	696.59	342.39
<b>Profit After Tax</b>	<b>1506.05</b>	<b>581.52</b>
Adding Thereto: Balance B/F From Previous Year	2051.84	1795.30
<b>Amounts Available For Appropriation</b>	<b>3557.89</b>	<b>2376.82</b>
<b>Appropriations:</b>		
Dividend & Dividend Tax	287.12	274.98
General Reserve	75.00	50.00
Balance carried Forward	<b>3195.78</b>	<b>2051.84</b>

### DIVIDEND:

The Directors recommend a final dividend of ₹ 0.60 (6%) per share on 50,00,000 nos. 6% Non Cumulative Redeemable Preference Shares, ₹ 0.80 (8%) per share on 1,00,00,000 nos. 8% Non Cumulative Redeemable 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:

	(₹ in lakhs)	
	2012-13	2011-12
Sales Including Other Income	194825.60	124900.96
Profit after tax	1506.05	581.52

The sales including other income for the year ended March 31, 2013 was ₹ 194825.60 lakhs as against ₹ 124900.96 lakhs for the previous financial year. The total sales of the Company has increased by 56% (approx) as compared to the previous year.

The total export sales for the year ended March 31, 2013 was ₹ 2764.85 lakhs as against ₹ 3852.46 lakhs for the previous financial year. The Profit before tax was ₹ 2202.64 lakhs and the profit after tax was ₹ 1506.05 lakhs for the year ended on March 31, 2013 as against ₹ 923.91 lakhs and ₹ 581.52 lakhs respectively for the previous financial year.

### FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from the public and it is therefore not required to comply with the requirement under Non-Banking Non-Financial companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

### SUBSIDIARY:

The Company has purchased/acquired 31,20,000 Equity Shares of ₹ 10/- each at a premium of ₹ 30/- per Shares of Vimal Dairy Limited (VDL), through the preferential allotment, on February 26, 2013 and thereby VDL has become 52.00% subsidiary of the Company. At the year ended on March 31, 2013, the Company has one subsidiary company in India.

Pursuant to the general exemption granted by the Ministry of Corporate Affairs, Government of India vide General Circular No. 2/ 2011 dated 8<sup>th</sup> February, 2011 and resolution passed by the Board of Directors on August 13, 2013, copy of Balance Sheet, Statement

of Profit and Loss, Report of the Board of Directors and the Report of the Auditors of subsidiary company have not been attached with the annual accounts of the Company under section 212 of the Companies Act, 1956. As required under the above said circular, a statement containing the information of subsidiary Company is attached and forms part of this Annual Report.

The annual accounts of the subsidiary company and the related information are available for inspection by any shareholder at the registered office of the Company during business hours and make them available upon the request by any shareholder of the Company.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to clause 32 and 41 of the Listing Agreement and Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the Board of Directors has pleasure in attaching the Audited Consolidated financial statements including the financial statements of subsidiary company. This being the first year of M/s. Vimal Dairy Ltd. becoming a subsidiary Company, only current year figures are given in the consolidated financial statements and the consolidated cashflow statement is not attached.

#### **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.

The brief resume / details relating to Director who is 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"), the Board of Directors of the Company hereby state and confirm that:

- i. In the preparation of the Annual Accounts for the year ended on March 31, 2013, 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 March 31, 2013 and of the profits of the Company for the year ended March 31, 2013;
- 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:**

- i. The Company's Shares are listed on the BSE Limited, Mumbai (BSE). Also, the Equity Shares of the Company have listed on the National Stock Exchange of India Limited, Mumbai (NSE) and admitted to dealing on NSE with effect from May 21, 2013.

For the year 2013-14, the Company has paid annual listing fee to BSE and NSE.

#### **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 particulars as prescribed under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an annexure to this report.

**CORPORATE GOVERNANCE:**

The Board of Directors of the Company have 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](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.

**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.

**COST AUDITOR**

Pursuant to section 233B of the Companies Act, 1956, for the financial year 2012-13, the Central Government has approved the appointment of M/s. N. D. Birla & Co., Cost Accountants as cost auditor for conducting cost audit of "Edible oil seeds and Oils (including vanaspati)". As per the clarification issued by Cost Audit Branch of Ministry of Corporate Affairs vide General Circular No. 67/2011 dated November 30, 2011, generation of electricity for captive consumption has been exempted from the applicability of cost audit.

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956 and the Rules thereunder, the Company's Cost Records for the year ended March 31, 2013 are being audited / reviewed by Cost Auditors, M/s. N.D. Birla & Co. The due date for filing of cost audit report for the "Edible oil seeds and Oils (including vanaspati)" for the period ended March 31, 2013 is September 30, 2013.

The Board of Directors has appointed / reappointed M/s N. D. Birla & Co., Cost Accountants as cost auditor for conducting the cost audit for the financial year 2013-2014.

**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 Board of Directors**  
**For, VIMAL OIL & FOODS LIMITED**

**Place: Ahmedabad**  
**Date: August 13, 2013**

**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

	Current Year 2012-13	Previous Year 2011-12
<b>1. ELERCTRICITY</b>		
a. Purchased Units	4170945	4205285
Total Amount (₹)	28671480	26571535
Rate per Unit	6.87	6.32
b. Own generation		
I. Through diesel generator		
Units	16289	21973
Unit per ltr. of diesel oil	5.09	4.97
Cost/Unit	9.56	9.16
<b>2. LIGNITE / COAL</b>		
Quantity	32617887	1985875
Total cost (₹)	117433207	16052801
Average Rate (₹ Per M.T)	3600	8083
<b>4. GAS</b>		
Quantity	1923280	3490275
Total cost (₹)	19208316	30957425
Rate per unit ( ₹ Per SCM)	9.99	8.87

#### B CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year 2012-13	Previous Year 2011-12
<b>Products (with details)</b>			
Electricity (KWH/M.T)	N.A	11.3016	29.2963
Diesel (M.T/M.T)	N.A	0.0441	0.1531
Lignite/coal (M.T/M.T)	N.A	0.0884	0.0138
Gas (SCM/M.T)	N.A	5.2113	24.3152