

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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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:

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

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



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	4	NIL
Shri Mahendrabhai V. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Mukeshbhai N. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Hamarayan 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:

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

30 th April, 2009	14 th May, 2009	25 th May, 2009
8 th June, 2009	15 th June, 2009	16 th July, 2009
28 th July, 2009	31 st August, 2009	23 rd September, 2009
1 st October, 2009	30 th October, 2009	30 th November, 2009
10 th December, 2009	31 st December, 2009	13 th January, 2010
29 th January, 2010	2 nd March, 2010	

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 Members of the 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	17	17	100%	Yes
Shri Mahendra V. Patel	17	17	100%	Yes
Shri Mukesh N. Patel	17	17	100%	No
Shri Hamarayan J. Patel	17	17	100%	No



3. Audit Committee:

i. Terms of reference

The Audit Committee of the Company was constituted in January 2003 and has been mandated with the same terms of reference specified in Clause 49 II of the Listing Agreement with the Stock Exchanges, as revised from time to time and as well as those stipulated by SEBI Guidelines. These terms also fully conform to the requirements of Section 292A of the Companies Act, 1956.

ii. Composition:

Presently the Audit Committee comprises three Non-Executive and Independent Directors – Shri Mahendra V. Patel, Shri Mukesh N. Patel and Shri Harnarayan J. Patel. The Chairman is Shri Mahendra V. Patel who is a Chartered Accountant and has considerable financial expertise and experience.

iii. Meeting and the Attendance during the year 2009-10:

Five meetings were held during the year and were attended by all members of the committee. The committee also met prior to finalisation of accounts for the year ended March 31, 2010.

The details of attendance at the Audit Committee meetings are as under:

Name of Director	Number of Meetings held during his tenure	Number of Meetings Attended	% Of Total Meetings Attended
Shri Mahendra V. Patel	5	5	100%
Shri Mukesh N. Patel	5	5	100%
Shri Harnarayan J. Patel	5	5	100%

4. Remuneration Committee:

The Company has constituted a remuneration committee on 31st July, 2007. The committee consists of Shri Mahendra V. Patel, Shri Mukesh N. Patel and Shri Harnarayan J. Patel, all of whom are Non-Executive & Independent Directors. Shri Harnarayan J. Patel has been appointed as Chairman of the Committee.

The Remuneration Committee recommends to the Board the compensation, terms of executive Directors and its responsibilities include:

- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive Directors including ESOP, pension rights and any compensation payment.
- Considering, approving and recommending to the Board the changes in designation and increase in salary of the executive Directors
- Ensuring that remuneration policy is good enough to attract, retain and motivate the Directors.
- Brining about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders

Meeting and the Attendance during the year 2009-10:

During the year, one Remuneration Committee was held on 1st October, 2010 and was attended by all members of the Committee.

Remuneration Policy:

The Company pays remuneration to its Managing Director by way of salary, perquisites and allowances. Salary is paid within the ceiling prescribed under the applicable provisions of the Companies Act, 1956 and as approved by the shareholders.

The details of remuneration paid to the Managing Director during the financial year 2009-10 are as under:

Particulars	Remuneration paid during the year
Salary, Bonus and allowances	15,00,000
Contribution to Provident fund	1,26,000
Total	16,26,000

5. Shareholders'/ Investors' Grievance Committee:

The Company has an independent Shareholders'/Investors' Grievance Committee, to look into redressal of investors' complaints and requests like delay in transfer of shares, non-receipt of annual report, non-receipt of dividend etc.

The committee comprises of Two Independent Non-Executive Directors and One Promoter Executive Director. Shri Mukesh N. Patel is the Chairman of the Committee and Shri Jayesh C. Patel and Shri Mahendrabhai V. Patel are members of the Committee.



> **Attendance in the year 2009-10**

During the year ended 31st March, 2010 the Committee met 20 times and all the members were present. The Committee meets once or twice a month to take a note of the transfer, transmissions of shares and look into redressing of shareholders'/ investors grievances.

> **Details of Shareholders' Complaints Received:**

During the year ended 31st March, 2010 the Company received 4 complaints in the nature of non - receipt of dividend warrants, annual reports, etc. All Complaints have been satisfactorily disposed off during the year under review. There are no complaints outstanding as on 31st March, 2010.

6. Details of General Meetings:

(I) Annual General Meeting

Financial Year	Location	Category	Date	Time
2008-2009	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	AGM	30/09/2009	11.30 AM
2007-2008	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	AGM	30/09/2008	11.30 AM
2006-2007	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	AGM	29/09/2007	11.00 AM

- Special Resolution for Delisting of Equity Shares of the Company from the Ahmedabad Stock Exchange Limited, Ahmedabad, was passed at the 15th Annual General Meeting held on 29th September, 2007

(II) Extra Ordinary General Meeting:

During the last three years, only Three Extra Ordinary General Meetings (EGM) were held. The details of the EGM are as under:

Financial Year	Location	Category	Date	Time
2008-09	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	EGM	21/08/2008	11.30 AM
2006-07	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	EGM	03/02/2007	11.30 AM
2006-07	Heritage, Nr. The Grand Bhagwati, S. G. Highway, Ahmedabad - 380 054.	EGM	20/05/2006	11.00 AM

- Special Resolutions for Increasing Authorized Shares Capital of the Company from Rs. 23,00,00,000 /- to Rs. 33,00,00,000 divided into 1,18,00,000 Equity Shares of Rs. 10/- each and 1,50,00,000 Preference Shares of Rs. 10/-, and issuance 8% Non-Cumulative Redeemable Preference Share upto Rs. 10.00 Crores, and to increase borrowing power of the company upto Rs. 500 Crores were passed at the Extra Ordinary General Meeting held on 21st August, 2008.
- Special Resolutions for Increasing Authorized Shares Capital of the Company from Rs. 21,00,00,000 /- to Rs. 23,00,00,000 divided into 1,18,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Preference Shares of Rs. 10/- were passed at the Extra Ordinary General Meeting held on 03rd February, 2007.
- Special Resolutions for Increasing Authorized Shares Capital of the Company from Rs. 11,00,00,000 /- to Rs. 21,00,00,000 divided into 1,60,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Preference Shares of Rs. 10/-, and for raising the fund by way of rights issue and / or public issue were passed at the Extra Ordinary General Meeting held on 20th May, 2006.

(III) Postal Ballot:

During the year under review, no Resolutions have been passed through postal ballot under the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 nor are any resolutions proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

7. Disclosures:

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of Company at large.

There were no materially significant related party transactions, during the financial year 2009-10, which may have had any potential conflict with the interest of the company at large. Transactions with the related parties have been disclosed in Note No. 10(II) of Notes forming part of Accounts for the year ended, 31st March, 2010.

- b. Code of Conduct: The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company www.vimaloil.com.
- c. CEO Certificate: The Managing Director of the Company has furnished the requisite certificate to the Board of Directors under Clause 49 V of the Listing Agreement.
- d. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory, on any matter related to capital markets, during the last three years: **NIL**



8. Means of Communication:

- Half -Yearly results were not sent to each household of the shareholders.
- As per the Clause 41 of the Listing Agreement, The Board of Directors took on record and submitted to the Stock Exchange, the Quarterly Results.
- The Quarterly Results were published in Economic Times (Ahmedabad) in English and Gujarati edition.
- No presentation has been made to Institutional Investors or to Analysts.
- Quarterly results have been displayed on Company's website www.vimaloil.com
- The Management Discussion and Analysis Report is attached to the Directors' Report in this Annual Report.
- Pursuant to SEBI circular, Company has placed electronically file specific documents / statements on the EDIFAR website via. www.sebiedifar.nic.in w.e.f. the quarter ending March 2003

9. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s. R. R. S. & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report. This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

10. General Shareholder Information:

I. Annual General Meeting

- Date and Time : **30th September, 2010 at 11.00 a.m.**
 Venue : 4th Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad – 380054.

II. Financial Calendar

- Financial reporting for the quarter ending
 June 30, 2010 : Last Week of July 2010
 September 30, 2010 : Last Week of October 2010
 December 31, 2010 : Last Week of January 2011
 March 31, 2011 : Last Week of April 2011

III. Book Closure Date

- : From 21st September, 2010 to 30th September, 2010 (both days inclusive)

IV. Registered Office

- : 4th Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad - 380 054.

V. Details regarding dividend paid during the last 7 years :

Year	Rate(%)	Book Closure Date	AGM Date	Payment Date
2002-03	20	22nd September, 2003 to 30th September, 2003	30/09/2003	09/10/2003
2003-04	15	20th December, 2004 to 30th December, 2004	31/12/2004	05/01/2005
2004-05	16	9th September, 2005 to 15th September, 2005	15/09/2005	20/09/2005
2005-06	10	9 th September, 2006 to 15 th September, 2006	15/09/2006	20/09/2006
2006-07	12	21 th September, 2007 to 29 th September, 2007	29/09/2007	03/10/2007
2007-08	18	24 th September, 2008 to 30 th September, 2008	30/09/2008	14/10/2008
2008-09	12 (Rs.1.20 per Equity Share)	22 nd September, 2009 to 30 th September, 2009	30/09/2008	05/10/2009

VI. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

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.

VII. Dividend Announcement :

The Board of Directors of the Company has proposed a dividend on 50,00,000 Preference Shares at **Rs 0.60 Per Share (6%)** and 1,00,00,000 Preference shares at **Rs. 0.80 per share (8%)**; and on 45,50,000 Equity Shares, **Rs. 1.50 per share (15%)** for the year ended on 31st March, 2010, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Dividend Payment Date :

Dividend, if declared by the Members shall be paid on or after **30th September, 2010** but within the statutory time limit.



VIII. Listing of Equity Shares on Stock Exchange:

Stock Exchanges	Address	Telephone No.
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	022-2272 1233 022-2272 1234

IX. Location of the Depositories:

Depository	Address	Telephone No.
National Securities Depository Ltd.	4th Floor, "A" wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013.	022-24994200
Central Depository Services(India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai-400 023.	022- 2272 3333

X. Stock Code :

Name of the Exchange	Stock Code
Bombay Stock Exchange Limited	519373
Demat ISIN Number in NSDL & CDSL	INE067D01015

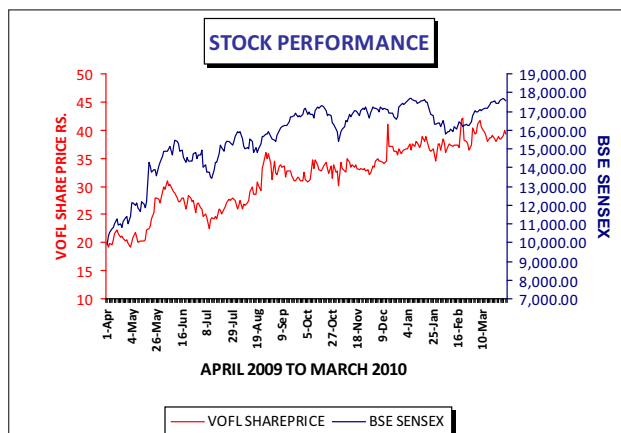
XI. Stock Market Data :

Stock Market Price Data for the year 2009-2010:

MONTH	BSE PRICES		VOLUME		BSE SENSEX	
	High (Rs)	Low (Rs)	No. of Shares Traded	Value (Rs)	High (Rs)	Low (Rs)
Apr- 09	25.00	18.50	39852	785735	11,492.10	9,546.29
May -09	30.80	19.20	87105	2004009	14,930.54	11,621.30
Jun – 09	33.90	25.00	41022	1174777	15,600.30	14,016.95
Jul – 09	31.50	21.70	49751	1302699	15,732.81	13,219.99
Aug – 09	37.75	25.10	87459	2845727	16,002.46	14,684.45
Sep- 09	36.65	30.00	116458	3896600	17,142.52	15,356.72
Oct – 09	37.75	30.25	341484	11888979	17,493.17	15,805.20
Nov – 09	37.75	29.50	202042	6882231	17,290.48	15,330.56
Dec – 09	41.95	32.00	347465	12997839	17,530.94	16,577.78
Jan – 10	41.00	33.60	144690	5432264	17,790.33	15,982.08
Feb – 10	45.55	35.30	456786	18899832	16,669.25	15,651.99
Mar – 10	44.70	37.05	169576	6840248	17,793.01	16,438.45

XII. Stock Performance:

Performance of share price of VIMAL OIL & FOODS LIMITED in comparison to BSE Sensex for the year 2009 – 2010 is as under:





XIII. Registrar and Share Transfer Agent

: The Company has appointed **Link Intime India Private Limited** as the Registrar for Demat shares w.e.f 16/03/2001 having their Registered Office at:
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai – 400 078.
Phone No. 022-2592 3837
Fax No. 022- 2567 2693
E-mail Address : isrl@intimespectrum.com

M/s Link Intime India Private Limited have also been appointed as common agency for share registry work in terms of both physical and electronic vide SEBI circular no. D&CC/FITTC/CIR-15/2002 Dated 27th December, 2002 w.e.f 1st February, 2003 having their Office at:

M/s Link Intime India Private Limited
211, Sudarshan Complex, Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009.
Phone No. 2646 5179
E-mail: ahmedabad@linkintime.com

XIV. Share Transfer System

Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 23rd March, 2001 as per circular issued by Securities and Exchange Board of India (SEBI).

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited, Registrar & Share Transfer Agent, within the statutory stipulated period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrar.

XV. Distribution of Shareholding (as on 31st March, 2010):

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shareholding
1 - 500	2193	84.77	3,63,369	7.99
501 - 1000	168	6.49	1,49,097	3.28
1001 – 2000	65	2.51	99,005	2.18
2001 – 3000	40	1.55	98,956	2.18
3001 – 4000	16	0.62	58,718	1.29
4001 – 5000	23	0.89	1,13,296	2.49
5001 – 10000	21	0.81	1,70,790	3.75
10001 and Above	61	2.36	34,96,769	76.85
TOTAL	2587	100	45,50,000	100.00

XVI. Categories of Shareholding (as on 31st March, 2010) :

Category of Holder	No. of Shares	% of Equity
Promoters / Person acting in concert	13,93,293	30.62
Banks / Institutions	800	00.02
Private Corporate Bodies	1,17,260	02.58
Indian Public	29,80,224	65.50
NRIs	30,374	0.67
Any other	27,949	0.61
TOTAL	45,50,000	100.00

XVII. Dematerialization :

The Company's equity shares are compulsorily traded in dematerialized form for all the investors with effect from 23rd March, 2001.

38,61,575 out of 45,50,000 equity shares (84.87% of the total Equity Share Capital) have been dematerialized up to 31/03/2010.

XVIII. Details on use of public fund obtained in the last three years:

The Company has not raised any funds from the public in the last three years.



XIX. Outstanding GDRs / ADRs / Warrants & Convertible Bonds, conversion date and likely impact on the equity:

The Company has not issued any GDRs / ADRs / Warrants during the year under report.

XX. Plant Locations :

Factory : At: Village Hanumant Heduva,
Nr. Palavasna Railway Crossing,
Highway,
Mehsana – 384 002.

XXI. Investor Correspondence : For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to shares of the Company, please write to:

M/s Link Intime India Private Limited

211, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Navrangpura,
Ahmedabad – 380 009.

Phone No. 079-2646 5179

E-mail: ahmedabad@linkintime.com

For any other general matters or in case of any difficulties / grievances please write to:

Mr. Fagesh R. Soni,
Company Secretary & Compliance Office,
Vimal Oil & Foods Limited

4th Floor, Heritage,
Nr. The Grand Bhagwati,
S. G. Highway,
Ahmedabad - 380 054.

Phone No. (079) 26841851 / 52 / 53 / 54

Fax No. (079) 26841850

E-mail Address: secretarial@vimalgroup.com
sec.vimal@yahoo.co.in



OVERVIEW

The global financial crisis, brewing for a while, really started to show its effects in the middle of 2007 and into 2008. Around the world, stock markets fell sharply, large financial institutions collapsed or been bought out, millions of people lost their jobs and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems. Indian markets and people across all socio – economic groups were also affected though the impact on India was relatively less as compared to most other countries.

The world economy is now showing the signs of improvement and recovery in the last few months after a sharp, broad and synchronized global downturn in late 2008 and early 2009. Many countries including India have registered positive growth in gross domestic product (GDP) along with a notable recovery in international trade and global industrial production. The World Gross Product (WGP) is estimated to grow by just 2.4% in 2010 over 2009 where as GDP of India is estimated to grow by 8% in 2010 and 8.5% in 2011. Meaning thereby that Indian Economy is recovering and growing at a much faster pace than rest of the world.

OPPORTUNITIES & THREATS

In the light of the financial turmoil in the developed countries and subsequent impact in India and more specifically in the Commodity prices, your company has taken steps to strengthen its position and seek out opportunities in adversity. The approach has been on containing costs and growing brands. The company has been taking measures to keep its brands relevant to the customers and also ensuring that they remain competitively priced. It is also exploring all possible avenues to reduce costs of inputs and raw materials without compromising on the quality of the product.

Competitions from global players remain a matter of concern and a probable threat; which needs to be addressed. The global impact on the pricing of the commodity is also a matter of concern and a threat as the markets turn highly volatile in a very short span of time, which also needs to be addressed.

SEGMENT ANALYSIS AND REVIEW

Integrated Oil Division :

The Sales of oil division of the Company has increased by 18.50% as compared to previous year. The operating profit of this division has increased by 73.57% as compared to previous year.

Wind Mill Division :

The Company has installed three wind mills having capacity of 1.425 MB. The segment result of this division has decreased from Rs.109.00 lacs to Rs. 94 lacs.

RISKS & CONCERN

Our company like any other companies is exposed to various types of risks. Macro economic and global issues like inflation, recession, political and social upheavals, inadequate or more than adequate rainfall will have an effect on the industry as a whole. Also the volatility in the commodity prices globally has a significant impact on the profitability of your company. Company along with other industry players is exposed to foreign exchange losses because of crude edible oil imports and rapeseed oil meal exports. Most significant of all risks is regarding uncertainty of good monsoon which may lead to fluctuations in demand and supply equation in edible oils.

The company has adopted a continuous risk monitoring system and hedges its future foreign exchange risks. The risk management policy involves risk assessment, risk analysis, risk identification, risk description, risk estimation, risk analysis methods & techniques, risk profile, risk evaluation, risk reporting & communication, risk treatment, monitoring and review of the risk management process and structure and administration of risk management.

The specific role has been assigned to the Board of Directors for determining the strategic direction of the organization and for creating the environment and the structure for risk management to operate effectively.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company has installed ERP software for coordination & controlling the operation at the factory, Head Office, Registered Office and all other depo's and distribution centers. This helps company to check / verify the stores / Accounting / Distribution and Management information system on day to day basis.

Internal Control Systems are implemented to



- Safeguard the company's assets from loss or damage
- Keep constant check on cost structure and process loss
- To monitor the finished goods inventories and debtors.
- Provide for adequate financial and accounting controls and implement standard accounting standards
- Maintain proper accounting records and statutory compliances

The systematic implementation of Internal Control Systems and policies has resulted in the use of funds in the most efficient and appropriate manner. All this has been implemented in every area commencing from raw materials to finished products.

Internal Audit Program

The audit committee, which consists only of non-executive & independent directors, supervises the performance pertaining to internal controls, auditing and financial reporting. Frequent discussions regarding scope and sphere of internal controls and their effective implementation, are held with the statutory auditors and the management.

FUTURE OUTLOOK

The future edible oil industry is by and large dependent upon the increasing consuming class with better lifestyle and availability of oilseeds. Per capita consumption of edible oils in India is one of the lowest in the world at present. Overall Indian Edible oil market is fourth largest in the world after USA, China and Brazil.

The future outlook of Edible oil industry looks good & the consumption of Edible oil is going to increase. As per NCAER the annual oil consumption in India is increasing at the rate 5-6% per annum. Our Company is also focusing on expanding the number and variety of products offered to customers across categories based upon focused research and consumer feedback. Also the focus is on enhancing the distribution network.

The focus of the company is to make available its product at each and every center & thereby increase its Market share.

FINANCIAL PERFORMANCE

An overview of the financial performance is given in the Director's Report. The Audit Committee constituted by the Board of Directors periodically reviews the financial performance and reporting systems.

HUMAN RESOURCES

Our Company has great value in the commitment, competence and vigour shown by its employees in all aspects of business. Our Company confirms its commitment to take initiatives to further align its HR Policies in order to meet the growing needs of the business.

We have employee focus in a sense that it provides fulfillment, stretch and development for its employees at all levels. It's all because of the considerable skill and motivation of employees, our Company is able to deliver customer satisfaction.

The board would like to express its sincere appreciation and gratitude on behalf of all the stakeholders of the Company, who benefit from the hard work of the employees.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis report detailing the Company's objective, projections about the future, estimates, expectations or predictions including, but not limited to, statements about the Company's strategy for growth, products development, market position and expenditures may be "forward – looking statements" within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statues or other incidental factors.



Vimal Oil & Foods Ltd.

AUDITOR'S CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of
Vimal Oil & Foods Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2010.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information & explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, R R S & Associates
Chartered Accountants
Firm Reg. No. : 118336W

Place : Ahmedabad
Date : 26th August, 2010

(Rajesh R. Shah)
Partner
(M.N. 34549)

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Vimal Oil & Foods Limited Code of Business Conduct and Ethics for the year ended 31st March, 2010.

For Vimal Oil & Foods Ltd.

Place : Ahmedabad
Date : 26th August, 2010

Jayesh C. Patel
Managing Director



Vimal Oil & Foods Ltd.

AUDITORS' REPORT
2009-2010

To,
The Shareholders,
Vimal Oil & Foods Limited

We have audited the attached Balance Sheet of **Vimal Oil & Foods Limited** as at 31st March, 2010 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31/03/10 from being appointed as a Director in terms of clauses (g) of sub sections (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2010 and
 - (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, R R S & Associates
Chartered Accountants
Firm Reg. No. : 118336W

Place : Ahmedabad
Date : 26th August, 2010

(Rajesh R. Shah)
Partner
(M.N. 34549)



**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF
VIMAL OIL & FOODS LIMITED**

1. a. The Company is in the process for updating of proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b. As explained to us, major fixed assets of the Company are physically verified by the management once in every three years which in our opinion is reasonable having regard to the size of the Company and nature of its assets.
- c. The company has not disposed of any substantial part of Fixed Assets during the year that affects the going concern assumption.
2. a. As explained to us, inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Regarding stock lying with outside agency, the company has obtained stock confirmation from the respective agency.
- b. As per the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of the inventory records, we are of the opinion that, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3. In respect of loans / deposits taken or given from or to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report that:
 - a. The Company has not granted any loans, secured or unsecured, to any party covered in the register maintained under section 301 to the Companies Act, 1956
 - b. The Company has taken unsecured loans from six parties covered in the register maintained under section 301 to the Companies Act, 1956. The maximum amounts of loan taken and year end balance were Rs. 1750 Lacs and Rs. 1500 Lacs respectively.
 - c. In our opinion and according to the information and explanation given to us, the rate of interest, and other terms & conditions of the above loans are not prima facie prejudicial to the interest of the Company.
 - d. In our opinion and according to the information and explanation given to us, the interest payments are regular and the principal amounts are repayable on demand.
4. In our opinion, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us the above transactions, wherever they exceeds the threshold limit specified, are made at a prices which are not prejudicial to the interest of the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. The Company does not have any Internal Auditor of any special department/cell for Internal Audit, but looking towards the quantum & value of transactions and the Internal Control Procedures, we are of the opinion that the company has enough control over the transactions of the business.
8. As explained to us, The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
9. a. According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.



Vimal Oil & Foods Ltd.

- b. According to the information and explanations given to us, there were no undisputed statutory dues, outstanding at the year end, for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us disputed government dues that have not been deposited are as follows:

Name of Statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1961 and Central Sales Tax Act, 1956	Sales Tax and CST	211.72	2001-02 to 2004-05	Appellate Authority
Rajasthan Sales Tax Act, 1994	Sales Tax	139.48	2002-03	Appellate Authority
Income Tax Act, 1961	Income Tax	80.80	2000-2001 to 2007-2008	Appellate Authority

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
11. According to the records of the company and the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
12. According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investment and as such clause (xiv) of the order is not applicable to the company.
15. According to the information and explanations given to us, the Company has provided corporate guarantee of NIL (P.Y: 18526.62 Lacs) for loans taken by others. According to the information and explanation given to us, we are of the opinion that the terms & conditions, there of were not prime facie prejudicial to the interest of the company.
16. The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and cash flow statement of the company, we report that no major funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, nor such type of the case been reported or informed to us by the management.

For, R R S & Associates
Chartered Accountants
Firm Reg. No. : 118336W

Place : Ahmedabad
Date : 26th August, 2010

(Rajesh R. Shah)
Partner
(M.N. 34549)



Vimal Oil & Foods Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2010

SR. NO.	LIABILITIES/ASSETS	SCHEDULE NO.	AS AT 31ST MARCH, 2010		FIGURES AS AT 31ST MARCH, 2009	
			Rs.	Rs.	Rs.	Rs.
A	SOURCES OF FUNDS					
1	SHAREHOLDERS' FUNDS :					
	(a) Share Capital	A	195,500,000		195,500,000	
	(b) Reserves & Surplus	B	194,705,089	390,205,089	162,351,279	357,851,279
2	LOAN FUNDS					
	(a) Secured Loans	C	1,032,641,990		655,322,299	
	(b) Unsecured Loans	D	151,385,000	1,184,026,990	90,985,000	746,307,299
3	DEFERRED TAX LIABILITY	E		47,328,896		46,037,356
	TOTAL			1,621,560,975		1,150,195,934
B	APPLICATION OF FUNDS					
1	FIXED ASSETS	F				
	(a) Gross Block		470,585,378		425,493,761	
	(b) Less : Depreciation		146,062,594		125,256,607	
	(c) Net Block			324,522,784		300,237,154
2	CURRENT ASSETS, LOANS & ADVANCES					
	(a) Inventories	G	420,719,657		320,792,845	
	(b) Sundry Debtors	H	1,473,085,845		925,003,535	
	(c) Cash & Bank Balances	I	252,713,468		180,545,026	
	(d) Loans & Advances	J	94,919,699		88,562,610	
				2,241,438,669		1,514,904,016
	LESS : CURRENT LIABILITIES & PROVISIONS					
	(a) Current Liabilities	K	918,533,659		645,189,898	
	(b) Provisions	L	25,866,819		19,755,338	
				944,400,478		664,945,236
	NET CURRENT ASSETS			1,297,038,191		849,958,780
	TOTAL			1,621,560,975		1,150,195,934
	NOTES TO ACCOUNTS	T				

As per our report of even date attached
For, M/s. RRS & ASSOCIATES
Chartered Accountants
Firm Reg. No. : 118336W

RAJESH R. SHAH
Partner
(M.N. 34549)

Place : Ahmedabad
Date : 26th August, 2010

**FOR & ON BEHALF OF BOARD OF DIRECTORS OF
VIMAL OIL & FOODS LTD.**

JAYESH C. PATEL Chairman & Managing Director
MAHENDRA V. PATEL Director
FAGESH R. SONI Company Secretary

Place : Ahmedabad
Date : 26th August, 2010



Vimal Oil & Foods Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

SR. NO.	INCOME/EXPENDITURE	SCHEDULE NO.	2009-10 Rs.	2008-09 Rs.
A. INCOME				
1.	Sales & Operating Income	M	7,344,359,872	6,231,802,569
	Less : Excise duty on sale of By Product		246,429	153,118
			<u>7,344,113,443</u>	<u>6,231,649,451</u>
	Other Income	N	3,346,597	6,261,347
2.	Increase/(Decrease) in Closing Stock	O	-4,975,971	-30,455,782
	TOTAL		<u><u>7,342,484,069</u></u>	<u><u>6,207,455,016</u></u>
B. EXPENDITURE				
	Materials & Manufacturing Expenses	P	7,028,804,915	6,000,204,738
	Payment to & for Employees	Q	19,193,345	17,674,076
	Administrative & Selling Expenses	R	72,203,785	50,382,399
	Interest & Financial Charges	S	128,371,517	80,063,484
	Depreciation	F	21,306,959	16,474,099
	TOTAL		<u><u>7,269,880,521</u></u>	<u><u>6,164,798,796</u></u>
C.	Profit Before Tax		72,603,548	42,656,220
D.	Provision for Tax			
	Current Tax		(18,200,000)	(4,500,000)
	Deferred Tax		(1,291,540)	(9,878,934)
	Fringe Benefit Tax		0	(320,000)
E.	Less : Income Tax for Earlier Years		96,161	278,381
F.	Profit After Tax		53,208,169	28,235,667
	Add/(Less) : Prior Year Adjustment		0	(47,548)
	Profit for the year After Tax		53,208,169	28,283,215
	Add : Balance as per last year		84,993,612	77,095,721
G.	Profit available for appropriation		138,201,780	105,378,935
	Proposed Dividend		(17,825,000)	(13,150,411)
	Corporate Dividend Tax		(3,029,359)	(2,234,912)
	Transfer to General Reserve		(5,000,000)	(5,000,000)
H.	Balance carried to Balance Sheet		112,347,422	84,993,612
I.	Basic/Diluted Earning Per Share of Rs. 10/- each fully paid up		11.69	6.21
	NOTES TO ACCOUNTS	T		

As per our report of even date attached
For, M/s. RRS & ASSOCIATES
Chartered Accountants
Firm Reg. No. : 118336W

RAJESH R. SHAH
Partner
(M.N. 34549)

Place : Ahmedabad
Date : 26th August, 2010

**FOR & ON BEHALF OF BOARD OF DIRECTORS OF
VIMAL OIL & FOODS LTD.**

JAYESH C. PATEL *Chairman & Managing Director*
MAHENDRA V. PATEL *Director*
FAGESH R. SONI *Company Secretary*

Place : Ahmedabad
Date : 26th August, 2010



Vimal Oil & Foods Ltd.

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
SCHEDULE : A - SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
18000000 (PY : 18000000) Equity Shares of Rs. 10/- each	180,000,000	180,000,000
15000000 (PY : 15000000) Preference Shares of Rs. 10/- each	150,000,000	150,000,000
TOTAL	<u>330,000,000</u>	<u>330,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
4550000 (P.Y. 4550000) Equity Shares of Rs. 10/- each fully paid up.	45,500,000	45,500,000
5000000 (P.Y. 5000000) 6% Preference Shares of Rs. 10/- each fully paid up.	50,000,000	50,000,000
10000000 (P.Y. 10000000) 8% Preference Shares of Rs. 10/- each fully paid up	100,000,000	100,000,000
TOTAL	<u>195,500,000</u>	<u>195,500,000</u>
SCHEDULE : B - RESERVES AND SURPLUS		
1. General Reserve		
As per last Balance Sheet	77,357,667	72,357,667
Add : Transfer from Profit & Loss A/c.	5,000,000	5,000,000
	<u>82,357,667</u>	<u>77,357,667</u>
2. Profit and Loss Account		
As per last Balance Sheet	84,993,612	77,095,721
Add : Profit for the year	27,353,810	7,897,891
	<u>112,347,422</u>	<u>84,993,612</u>
TOTAL	<u>194,705,089</u>	<u>162,351,279</u>
SCHEDULE : C - SECURED LOANS		
A. TERM LOAN/ CORPORATE LOAN		
Bank of India - Term Loan	14,300,000	20,151,870
Bank of India - Corporate Loan	93,750,000	-
Bank of Baroda - Corporate Loan	70,000,000	-
B. WORKING CAPITAL LOANS		
Bank of India	558,349,844	335,189,590
Bank of Baroda	179,089,889	134,577,068
Dena Bank	71,753,494	149,194,194
IDBI Bank	26,523,558	-
C. VEHICLE LOANS		
Kotak Mahindra Bank Ltd.	17,242,309	12,983,455
ICICI Bank Ltd.	1,632,896	3,226,122
TOTAL	<u>1,032,641,990</u>	<u>655,322,299</u>

Notes :

- A. Term Loan is secured by Hypothecation of Wind Mill to Bank of India. Corporate Loans are Secured by pari passu charge over the specific fixed assets to the Bank of India and Bank of Baroda. Working Capital Loans are secured by hypothecation of Current Assets to Bank of India Consortium. The above Term Loans & Working capital Loans are further secured by First Equitable Mortgage over Land & Building situated at Heduva Hanumant, Mehsana and at Kalyanpur, Jamnagar and Personal Guarantee of Managing Director and a Promoter.
- B. Vehicle Loans from Kotak Mahindra Bank Ltd and ICICI Bank Ltd are secured against Hypothecation of Vehicles to respective bank.



PARTICULARS	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
SCHEDULE : D - UNSECURED LOAN		
From Directors and Promoters	150,000,000	-
Dealers / Distributors Deposit	1,385,000	90,985,000
TOTAL	151,385,000	90,985,000

SCHEDULE : E - DEFERRED TAX LIABILITY

As per last Balance Sheet	46,037,356	36,158,422
Add : Adjusted for the year	1,291,540	9,878,934
TOTAL	47,328,896	46,037,356

SCHEDULE : F - FIXED ASSETS

	Gross Block				Depreciation				Net Block	
	As on 01.04.2009	Addition	Deduction	As on 31.03.2010	As on 01.04.2009	FOR THE YEAR	On Deduction	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
Land	2,413,393	0	0	2,413,393	0	0	0	0	2,413,393	2,413,393
Land Site Development	705,483	0	0	705,483	0	0	0	0	705,483	705,483
Road Construction	2,741,779	0	0	2,741,779	721,978	44,965	367,474	399,469	2,342,309	2,019,801
Factory Building	46,370,949	11,174,264	0	57,545,213	13,676,375	1,710,445	43,092	15,343,728	42,201,485	32,694,574
Office Building	1,402,117	0	0	1,402,117	251,075	22,994	0	274,069	1,128,048	1,151,042
Plant & Machinery	301,396,448	42,247,948	0	343,644,396	97,583,639	17,066,916	0	114,650,555	228,993,841	203,812,809
Lab. Equipment	1,058,666	22,852	0	1,081,518	604,524	51,057	0	655,581	425,937	454,142
Electrification	5,738,775	536,985	0	6,275,760	1,663,608	288,080	166,991	1,784,697	4,491,063	4,075,167
Computer	3,235,310	406,964	0	3,642,274	2,967,470	299,955	0	3,267,425	374,849	267,840
Furniture & Fixture	12,125,625	555,406	0	12,681,031	2,841,229	791,230	0	3,632,459	9,048,572	9,284,396
Office Equipment	5,631,516	61,549	0	5,693,065	1,525,273	268,131	0	1,793,404	3,899,661	4,106,243
Vehicle (HMV)	3,787,390	368,768	0	4,156,158	563,359	412,717	0	976,076	3,180,082	3,224,031
Vehicle (LMV)	10,072,164	5,572,741	817,775	14,827,130	2,858,077	928,026	500,972	3,285,131	11,541,999	7,214,087
WIP-Plant & Machinery	24,970,960	0	24970960	0	0	0	0	0	0	24,970,960
WIP-Building Construction	3,843,186	0	3843186	0	0	0	0	0	0	3,843,186
WIP-Plant & Machinery	0	13,776,061	0	13,776,061	0	0	0	0	13,776,061	0
TOTAL	425,493,761	74,723,538	29,631,921	470,585,378	125,256,607	21,306,959	500,972	146,062,594	324,522,784	300,237,154
Previous Year	242,697,930	71,536,682	1,890,905	312,343,707	97,233,967	12,375,729	827,188	108,782,508	203,561,199	145,463,963



PARTICULARS	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
SCHEDULE : G - INVENTORIES (As taken, valued and certified by the management)		
Finished Goods	161,225,724	168,799,202
Raw Materials	234,800,392	136,140,277
Semi-finished Goods	2,937,800	425,293
Packing Material	17,902,480	11,269,630
Stores & Spares	3,598,261	3,988,443
By Product	255,000	170,000
TOTAL	<u>420,719,657</u>	<u>320,792,845</u>
 SCHEDULE : H - SUNDRY DEBTORS (UNSECURED & CONSIDERED GOOD)		
More than Six months	5,293,823	6,451,876
Others	1,467,792,022	918,551,659
TOTAL	<u>1,473,085,845</u>	<u>925,003,535</u>
 SCHEDULE : I - CASH & BANK BALANCES		
Cash on hand	2,345,789	1,810,076
Balance With Scheduled Bank		
- In Current Accounts	5,989,003	32,596,335
- In Fixed Deposit Accounts	244,378,676	146,138,615
TOTAL	<u>252,713,468</u>	<u>180,545,026</u>
 SCHEDULE : J - LOANS & ADVANCES (UNSECURED & CONSIDERED GOOD)		
Sundry Deposits	3,213,288	3,163,288
Income Tax Accounts (Net of Provisions)	397,397	12,432,331
Advance Receivables in Cash or in Kind or For Value to be Received	91,309,014	72,966,991
TOTAL	<u>94,919,699</u>	<u>88,562,610</u>
 SCHEDULE : K - CURRENT LIABILITIES		
Creditors for Goods	889,091,851	633,975,989
Creditors for Capital Goods	3,675,045	1,457,931
Creditors for Expenses	23,622,421	6,974,113
Statutory Liabilities	1,275,165	1,418,329
Advance From Customer	15,403	798,014
Unclaim Dividend	853,774	565,522
TOTAL	<u>918,533,659</u>	<u>645,189,898</u>



PARTICULARS	AS AT	AS AT
	31ST MARCH, 2010	31ST MARCH, 2009
	Rs.	Rs.
SCHEDULE : L - PROVISIONS		
Provision for Expenses	5,012,460	4,370,015
Proposed Dividend	17,825,000	13,150,411
Corporate Dividend Tax	3,029,359	2,234,912
TOTAL	<u>25,866,819</u>	<u>19,755,338</u>

PARTICULARS	2009-10	2008-09
	Rs.	Rs.
SCHEDULE : M - SALES & OPERATING INCOME		
Sale of Goods		
Domestic	7,003,835,315	5,921,432,743
Exports - Direct	174,136,886	194,180,174
Exports - Merchant	122,439,220	93,906,925
Operating Income	43,948,451	22,282,727
TOTAL	<u>7,344,359,872</u>	<u>6,231,802,569</u>

SCHEDULE : N - OTHER INCOME		
Export Incentives	1,763,317	2,043,954
Late Delivery Charges	1,548,029	4,217,393
Late Payment Charges	35,251	-
TOTAL	<u>3,346,597</u>	<u>6,261,347</u>

SCHEDULE : O - INCREASE / (DECREASE) IN STOCKS		
Closing Stock of Finished Goods	161,225,724	168,799,202
Closing Stock of Work In Progress	2,937,800	425,293
Closing Stock of By Product	255,000	170,000
	<u>164,418,524</u>	<u>169,394,495</u>
Opening Stock of Finished Goods	168,799,202	197,516,828
Opening Stock of Work In Progress	425,293	2,166,549
Opening Stock of By Product	170,000	166,900
	<u>169,394,495</u>	<u>199,850,277</u>
TOTAL	<u>-4,975,971</u>	<u>-30,455,782</u>



	2009-10 Rs.	2008-09 Rs.
SCHEDULE : P - MATERIALS & MANUFACTURING EXPENSES		
Opening Stock of Raw Material	<u>136,140,277</u>	<u>299,049,801</u>
	136,140,277	299,049,801
Add : Purchase of Raw Material during the year	<u>4,225,139,716</u>	<u>3,544,609,626</u>
Less: Closing Stock of Raw Material	<u>234,800,392</u>	<u>136,140,277</u>
Raw Material Consumed	4,126,479,601	3,707,519,150
Purchase of Trading Goods	<u>2,568,054,082</u>	<u>1,991,655,503</u>
Power & Fuel	<u>40,465,962</u>	<u>36,579,541</u>
Stored & Spares Consumed	<u>18,213,499</u>	<u>16,513,462</u>
Packing Material Consumed	<u>249,133,183</u>	<u>222,547,075</u>
Repairs & Maintenance		
Plant & Machinery	<u>1,934,363</u>	<u>1,751,500</u>
Building	<u>666,639</u>	<u>486,185</u>
Job Work Expenses	<u>8,522,677</u>	<u>9,465,948</u>
Labour Contract Charges	<u>10,718,457</u>	<u>8,287,073</u>
Insurance Expenses	<u>4,310,549</u>	<u>5,085,004</u>
Laboratory Charges	<u>180,819</u>	<u>225,249</u>
Factory Expenses	<u>125,084</u>	<u>89,048</u>
	2,902,325,314	2,292,685,588
GRAND TOTAL	7,028,804,915	6,000,204,738
SCHEDULE : Q - PAYMENT TO & FOR EMPLOYEES		
Salaries, Wages & other Allowances	<u>16,803,463</u>	<u>15,515,373</u>
Contribution to P.F. Gratuity & E.D.L.I.	<u>976,291</u>	<u>1,022,981</u>
Bonus	<u>1,151,883</u>	<u>974,108</u>
Staff Welfare Expenses	<u>261,708</u>	<u>161,614</u>
TOTAL	19,193,345	17,674,076



	2009-10 Rs.	2008-09 Rs.
SCHEDULE : R - ADMINISTRATIVE & SELLING EXPENSES		
ADMINISTRATIVE EXPENSES		
Stationary & Printing Expenses	523,876	454,865
Telephone & Postage Expenses	939,552	718,274
Vehicle Expenses	1,497,161	1,237,215
Legal , Professional & Consultancy Expenses	4,926,036	2,609,851
Rent, Rates and Taxes	1,696,053	1,317,943
Miscellaneous Expenses	2,877,435	1,942,130
Auditors Remuneration	386,050	386,050
Loss on Sale of Fixed Assets	42,803	-
SELLING EXPENSES		
Freight (outward)	21,388,375	19,582,230
Brokerage and Commission Expenses	5,481,595	3,909,480
Forwarding Expenses	3,886,419	5,759,559
Cash discount	952,189	1,023,378
Advertisement	18,906,334	7,108,440
Travelling Expenses	1,344,267	1,189,051
Sales Promotion Expenses	6,776,753	1,104,677
Discount Scheme on Vimal Lite / Free Sample	111,425	-
Kasar & Vatav	242,271	2,013,920
Soda Settlement & Rate Difference	225,191	25,336
TOTAL	72,203,785	50,382,399
SCHEDULE : S - INTEREST & FINANCIAL CHARGES		
Interest on working capital loan	124,019,046	102,452,408
Interest to others	1,927,479	1,461,789
Interest on term loan	14,577,148	3,139,921
Bank and other financial charges	14,972,280	23,886,903
	155,495,953	130,941,021
Interest Received	27,124,436	50,877,537
TOTAL	128,371,517	80,063,484



A. SIGNIFICANT ACCOUNTING POLICIES

(a) ACCOUNTING CONCEPT :

The financial statements have been prepared under the historical cost convention, on an accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent and in consonance with accepted accounting principle.

(b) REVENUE RECOGNITION :

(a) Revenue from sale of goods to domestic customers is recognized on dispatch of goods from the factory. Revenue from sale of goods to overseas customers is recognized on the goods being shipped on board. Sales are recorded at invoice value net of local sales tax and sales return.

(b) Other Income is recognized on accrual basis except when realization of such income is uncertain.

(c) Interest on Investments and Fixed Deposits kept with Banks are booked on a time proportion basis for the year end taking into account the amounts invested and rate of interest.

(c) FIXED ASSETS & DEPRECIATION :

1. Fixed assets are shown at their historical cost less depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

2. Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(d) IMPAIRMENT OF ASSETS

Whenever events indicates that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of assets and from its ultimate disposal. A provision for impairment loss is recognized where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sales of the asset.

(e) INVENTORIES

Closing stock of Raw Materials, Stores & Spares, Packing Material and Chemicals are valued at cost. Cost is determined on a first in first out basis.

Semi finished goods and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials plus labour and manufacturing overheads.

Closing stocks of finished goods is valued at cost or net realizable value whichever is lower. Cost comprises of raw material, manufacturing cost and excise duty wherever applicable.

By products are valued at net realizable value.

(f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Any contingent asset is not recognized in the Accounts.

(g) RETIREMENT BENIFITS :

(i) Short Term Benefit:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.

(ii) Post Employment Benefits:

Contribution to defined contribution scheme such as Provident Fund etc. is charged to the profit & Loss Account as incurred. The company also provides for post employment benefits in the form of their share of Provident Fund and Gratuity is provided for based on valuations as at the balance sheet date, made by independent agency.



(h) INCOME TAX :

Income taxes comprises of current & deferred taxes. Current taxes are measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(i) FOREIGN CURRENCY TRANSACTIONS :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

Exchange differences on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognized as income or expense in the year in which they arise except exchange differences on liabilities incurred for acquisition of fixed assets from outside India, which are adjusted to the carrying amount of the related fixed assets.

The premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

B. NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES :

	2009-2010	(Rs. In Lacs) 2008-2009
Bank guarantee given in favor of GAIL	6.50	6.50
Corporate Guarantee Given for loans taken by others (Note i)	Nil	18526.62
Outstanding L/c with the banks	Nil	606.73
Sales Tax Demand under Sales Tax Laws for the accounting year 2001-02, 2002-03, 2003-04 - (Note ii)	618.22	618.22
Sales Tax Demand under Rajasthan Sales Tax Act, 1994 for the year 2002-03 Note ii)	139.48	139.48
Demand under Income Tax Act, 1961 for the accounting year 2000-2001 to 2007-08	80.80	78.36

Note:

- i) The corporate guarantee given by the company to GUJOIL for the sum of Rs. 18526.62 Lacs have been released by all the consortium member Banks of GUJOIL.
 - ii) As against the same, the company has paid under protest of Rs 406.50 Lacs and shown as Loans and Advances.
2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loans and advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.
 3. The previous year figures have been regrouped / reclassified, wherever necessary, to make them comparable with the figures of current year.
 4. Micro and Small Scale Business Enterprises:
The management has initiated the process of identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement here under is not furnish.
 5. The Balances in respect of debtors, creditors and loan taken and given accounts are subject to confirmation and reconciliation, if any.
 6. Components of Net Deferred Tax Liability

	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability		
On Account of Depreciation	4,73,28,896	4,62,32,553
Deferred Tax Assets		
Expenses allowable for tax purposes in the following years	-	1,95,197
Net Deferred Tax Liability	4,73,28,896	4,60,37,356

7. **MANAGERIAL REMUNERATION**

	2009-10 (Rs.)	2008-09 (Rs.)
Paid to Managing Director		
Salary, Bonus and allowances	15,00,000	15,00,000
Contribution to Provident Fund	1,26,000	1,26,000
TOTAL	16,26,000	16,26,000

As no commission is payable to Directors the computation of net profits in accordance with the section 309(5) read with section 349 of the Companies Act, 1956 has not been given.



Vimal Oil & Foods Ltd.

8. AUDITORS' REMUNERATION :

	2009-2010 (Rs.)	2008-2009 (Rs.)
1. For Auditor Remuneration	250,000	250,000
2. For Company Law & Management Consultancy	50,000	50,000
3. For Certification & Other	50,000	50,000
4. Reimbursement of Expenses	36,050	36,050
TOTAL	386,050	386,050

9. EARNING PER SHARE

Profit attributable to the Equity Shareholder	53,208,169	28,283,215
Weighted average number of Equity shares of Rs. 10/- each fully paid up outstanding during the year	4,550,000	4,550,000
Basic / Diluted Earning per share of Rs. 10/- each fully paid up	11.69	6.22

10. Related Parties Disclosures as per Accounting Standard - 18 are given below :

(i) Names of related parties and description of relationship

(a) Key Management Personnel

Shri Jayeshbhai Patel – Managing Director

(b) Enterprises over which Key Management Personnel and their relative have substantial interest :

Vimal Dairy Ltd.	Vimal Computers Pvt Ltd
Vim Coats	Swastik Ceracon India Ltd
Vinay Corporation	Gladder Ceramics Ltd
Canon Capital & Finance Ltd.	

(ii) Transactions with related parties

Sr. No.	Nature of Transaction	2009-10 (Rs.)	2008-09 (Rs.)
In Relation to (A) above			
1.	Managerial Remuneration	1,626,000	1,626,000
In Relation to (B) above			
2.	Sale / Rent / Jobwork Income	12,143,300	10,800,000
3.	Interest Received	Nil	4,817,222
4.	Purchase of Goods	770,089	363,358
5.	Expenses Paid	Nil	625,993
6.	Interest Paid (Net of TDS)	126,789	Nil
7.	Loan Received	175,000,000	NIL
Outstanding Balance		As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
8.	Loans Given	Nil	Nil
9.	Loans Received	150,000,000	NIL
10.	Debtors	31,089	101,391
11.	Creditors	9,987	349,694

11. Segment Information as per Accounting Standard – 17 on 'Segment Reporting':

The Company has identified three business segments viz. Integrated Oil Division, Powder Plant and Wind Mill. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reporting system.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallowable"



Vimal Oil & Foods Ltd.

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS:

(Rs. in Lacs)

Particular	Integrete Oil Division		Powder Plant		Wind Mill		Others		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenue										
Sales & Operating Income	73182	61755	108	108	111	123	41	0	73441	61863
Other Income	33	100			0	0	0	0	33	223
Total Revenue	73215	61856	108	108	111	123	41	0	73475	62086
Results										
Segment results	1786	1029	89	89	94	109	41	0	1635	1227
Unallocated Corporate Income	0	0	0	0	0	0	0	0	0	0
Operating Profit	1786	1029	89	89	94	109	41	0	1635	1227
Interest Expense (Net)									1284	801
Income Tax									181	42
Deferred Tax									13	99
Fringe Benefit Tax									0	3
Net Profit									532	282
Other Information										
Segment Assets	24520	17006	156	174	651	694	333	277	25660	18151
Unallocated Corporate Assets	0	0	0	0	0	0	0	0	0	0
Total Assets	24520	17006	156	174	651	694	333	277	25660	18151
Segment Liabilities	21141	13866	0	0	143	247	0	0	21284	14113
Unallocated Corporate Liabilities	0	0	0	0	0	0	0	0	0	0
Total Liabilities	21141	13866	0	0	143	247	0	0	21284	14113
Other Information										
Capital Expenditure	451	1132	0	0	0	0	0	0	451	1132
Unallocated Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	451	1132	0	0	0	0	0	0	451	1132
Depreciation	186	138	19	19	8	8	0	0	213	165
Unallocated Corporate Depreciation	0	0	0	0	0	0	0	0	0	0
Total Depreciation	186	138	19	19	8	8	0	0	213	165
Other Non Cash Expenditure	0	0	0	0	0	0	0	0	0	0

Note: The Company also exports its products but the disclosures as required under accounting standard 17 on geographical segment has not been provided as the total value of exports is less than 10% of the total revenue.

12. Additional information pursuant to the provisions of Paragraphs 3,4C & 4D of the Part – II of Schedule VI of the Company Act, 1956 as amended by the Companies (Amendment) Act, 1988.

(A) CAPACITY & PRODUCTION :

Particular	Capacity				Actual Production	
	2009-2010		2008-2009		2009-2010	2008-2009
	Licensed (M. T.)	Installed (M. T.)	Licensed (M. T.)	Installed (M. T.)	(M. T.)	(M. T.)
Refinery *						
A. Own Production	NA	75000	NA	75000	52915	44405
B. O/s Jobwork	NA	NA	NA	NA	NIL	2646
Solvent Extraction						
(i) Oil	NA	NA	NA	NA	2153	1673
(ii) De-oil Cake	NA	NA	NA	NA	24100	18990
Oil Mill Section						
(i) Oil Expeller	NA	NA	NA	NA	4553	4379
(ii) Oil Cake	NA	NA	NA	NA	11686	9718
Powder Plant **	NA	3000	NA	3000	NA	NA
Table Margarine	NA	13500	NA	NA	2299	NA
Fractionation Plant **	NA	120000	NA	NA	NA	NA

* Includes Production and Packed for sale.

** Given on rent.

Note : Plant Installed Capacity is as certified by the Management of the Company.



Vimal Oil & Foods Ltd.

Product Name	2009 – 2010		2008 – 2009	
	M.T.	Rs. in Lacs	M.T.	Rs. in Lacs
	Qty.	Rs.	Qty.	Rs.
1 Opening Stock				
Edible Oil	2,844.00	1,254.32	2,453.00	1,421.14
Cake\De-Oil Cake	4,204.00	371.43	6,026.00	522.83
Vanaspati & Margarine	144.00	62.24	56.00	31.20
Total	7,192.00	1,687.99	8,535.00	1,975.17
2 Raw Material consumption				
Crude Oil	84,640.00	35,549.14	65,544.00	31,987.02
Seeds	16,261.00	3,800.86	14,158.00	3,750.49
Cake	26,247.97	1,914.80	20,769.00	1,337.68
Total	127,148.97	41,264.80	100,471.00	37,075.19
3 Purchase for Goods Traded				
Crude Oil	64,053.00	23,597.78	46,762.00	18,192.73
Seeds	1,698.00	376.87	-	-
Cake	1,583.00	162.81	9,133.00	807.75
Vanaspati & Margarine	4,452.00	1,543.08	2,052.00	916.08
Total	71,786.00	25,680.54	57,947.00	19,916.56
4 Closing Stock				
Edible Oil	2,848.00	1,250.71	2,844.00	1,254.32
Cake\De-Oil Cake	2,874.00	296.90	4,204.00	371.43
Vanaspati & Margarine	114.00	64.64	144.00	62.24
Total	5,836.00	1,612.25	7,192.00	1,687.99
5 Sales				
Edible Oil	151,082.00	66,189.13	116,458.00	57,718.64
Seeds\Cake\De-Oil Cake	28,711.00	3,346.40	29,945.00	2,880.86
Vanaspati & Margarine	6,779.00	3,254.14	2,569.00	1,339.44
By Products/ Others		214.44		156.26
Total	186,572.00	73,004.11	148,972.00	62,095.20

Particular	2009 – 2010		2008 – 2009	
	Amount (Rs.)	%	Amount (Rs.)	%
(H) CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS :				
Indigenous	4083851376	98.97	3635493268	98.06
Imported	* 42628225	1.03	* 72025882	1.94
* It excludes the high seas sale of 40895.95 M.T. of Crude Palm Oil , 2520 M.T. Crude Degummed Soyabean Oil , 500 MT of Crude Palm Kernal Oil Oil.				
(I) CONSUMPTION OF IMPORTED AND INDIGENOUS STORES & SPARES :				
Indigenous	18213499	100	16513462	100
Imported	Nil	0	Nil	0
(J) EARNINGS / EXPENDITURE IN FOREIGN CURRENCY				

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
FOB Value of Exports	174136886	194180174
For Purchase of Goods	1591233578	1233882369
Interest on Import LC discounting	13587953	22844706
Traveling Expenses	381930	169000
CIF Value of Imports	1617361888	1233882369



13. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	37432	State Code	04
Balance Sheet	31 03 2010		
	Date Month Year		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES IN LACS)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES IN LACS)

Total Liabilities	16215.61	Total Assets	16215.61
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SOURCES OF FUNDS

Paid up Capital	1955.00	Reserves & Surplus	1947.05
Share Application Money	0.00	Differed Tax Provision	473.29
Secured Loans	10326.42	Unsecured Loans	1513.85

APPLICATION OF FUNDS

Net Fixed Assets	3245.23	Investments	NIL
Net Current Assets	12970.38	Miscellaneous Expenses	NIL
Accumulated Losses	NIL		

IV. PERFORMANCE OF COMPANY (AMOUNT IN RUPEES IN LACS)

Total Revenue	73424.84	Total Expenditure	72698.81
Profit / Loss Before Tax	726.04	Profit After Tax	532.08
Earning Per Share	11.69	Dividend Rate %	15%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC No.)	:	15141003
Product Description	:	Rap Seed Oil
Item Code No. (ITC No.)	:	23064002
Product Description	:	Rap Seed DOC
Item Code No. (ITC No.)	:	120190
Product Description	:	Cotton Seed Oil

As per our report of even date attached

For, M/s. RRS & ASSOCIATES

Chartered Accountants

Firm Reg. No. : 118336W

RAJESH R. SHAH

Partner

(M.N. 34549)

Place : Ahmedabad

Date : 26th August, 2010

FOR & ON BEHALF OF BOARD OF DIRECTORS OF VIMAL OIL & FOODS LTD.

JAYESH C. PATEL

Chairman & Managing Director

MAHENDRA V. PATEL

Director

FAGESH R. SONI

Company Secretary

Place : Ahmedabad

Date : 26th August, 2010



Vimal Oil & Foods Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	FOR THE YEAR 2009-2010		FOR THE YEAR 2008-2009	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxes & Extra-Ordinary Items		726.04		432.13
Adjustments for :				
Depreciation	213.07		164.74	
Interest & Other Financial Charges	1554.96		1309.41	
Profit/Loss on Sale of Asset	3.17		0.00	
Interest / Dividend Received	-271.24		-508.78	
Provision & Expenses Written off	0.00	1499.95	0.00	965.38
Operating Profit before Working Capital Changes		2225.99		1397.51
(Increase) / Decrease in Inventory	-999.27		1886.25	
(Increase) / Decrease in Trade & Others Receivables	-5667.43		-4330.15	
Increase / (Decrease) in Trade Payables	2794.55	(3872.14)	2015.10	-428.80
Cash Generated from Operation		(1646.15)		968.71
Direct Taxes Paid		(58.97)		0.00
Net Cash from Operating Activities		(1705.12)		968.71
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-467.27		-1131.50	
Sale of Fixed Assets	8.18		0.00	
Purchase of Investments	0.00		0.00	
Interest / Dividend Received	271.24		508.78	
Net Cash (used in) / from Investing Activities		-187.85		-622.72
C CASH FLOW FROM FINANCING ACTIVITIES				
Share Capital Received	0.00		1000.00	
Share Application Money Received	0.00		0.00	
Increase in Long Term Loans & Other Borrowings	4377.20		483.40	
Dividend Paid (with Tax)	-208.54		-153.85	
Shares Issue Expenses	0.00		0.00	
Prior Year Adjustment	0.96		-2.31	
Interest Paid	-1554.96		-1309.41	
Net Cash (used in) / from Financing Activities		2614.66		17.83
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		721.68		363.82
Cash & Cash Equivalents as at 01-04-2009		1805.45		1441.64
Cash & Cash Equivalents as at 31-03-2010		2527.13		1805.45

As per our report of even date attached

For, M/s. RRS & ASSOCIATES

Chartered Accountants

Firm Reg. No. : 118336W

RAJESH R. SHAH

Partner

(M.N. 34549)

Place : Ahmedabad

Date : 26th August, 2010

**FOR & ON BEHALF OF BOARD OF DIRECTORS OF
VIMAL OIL & FOODS LTD.**

JAYESH C. PATEL

Chairman & Managing Director

MAHENDRA V. PATEL

Director

FAGESH R. SONI

Company Secretary

Place : Ahmedabad

Date : 26th August, 2010



Vimal Oil & Foods Ltd.

Regd. Office : 4th Floor, Heritage, Nr. The Grand Bhagwati,
S.G. Highway, Ahmedabad – 380 054.

FORM OF PROXY

DP ID	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

I/We _____ of _____ being a Member / members of VIMAL OIL & FOODS LIMITED. hereby appoint _____ of _____, or failing him _____ of _____ as my/our proxy to attend and vote for me/us and for on my/ our behalf the behalf at the Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 the Regd. Office of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Revenue
Stamp

Signature

NOTE :

1. The Proxy Form signed across revenue stamp should reach at the Company's Registered Office at 4th Floor, Heritage, Nr Grand Bhagwati, S.G.Highway, Ahmedabad – 384 054.
2. The Proxy need not to be a member of the Company.
3. Please fill in full particulars.
4. Company reserves the right to ask for identification of the proxy.



Vimal Oil & Foods Ltd.

Regd. Office : 4th Floor, Heritage, Nr. The Grand Bhagwati,
S.G. Highway, Ahmedabad – 380 054.

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the Meeting hall.

I/We hereby record my presence at the Annual General Meeting of the Company to be held on Thursday, 30st September, 2010 at 11.00 a.m at the Registered office of the Company.

DP ID	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

Name of the Shareholder (In Block Letters)	
Signature of Shareholder	
Name of the proxy (In Block Letters)	
Signature of the Proxy	

NOTES:

- (1) This attendance is valid only in case shares are held on the date of this Annual General Meeting
- (2) You are requested to sign and hand over this slip at the entrance.

Vimal

**Healthy U
Happy U**

Healthful



Sanjivani sehat ki...



Sunflower Oil

Vimal

**Healthy U
Happy U**

Healthful



Sanjivani sehat ki...



Corn Oil

Eat Good. Look Great.

Buttery

Vimal[®] *lite*

Premium Table Margarine

Zero Cholesterol

No Trans Fats

Rich in Vitamin A, D & E

No Hydrogenated Fats

Low in Saturated Fats

Rich in MUFA & PUFA

Available in 1 kg
500g & 100g packing



BOOK - POST

To,



If, undelivered please return to :

Vimal Oil & Foods Ltd.

Regd. Office : 4th Floor, Heritage, Nr. Grand Bhagwati,
S. G. Highway, Ahmedabad - 380 054.