



**Vimal Oil & Foods Ltd.**

20<sup>th</sup> Annual Report 2011 - 12



**Empowering health & happiness**  
with focus on growth.

## Vision

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

## Mission

**Healthy U, Happy U.**

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

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





**20<sup>th</sup> Annual Report  
2011-2012**

<b>Board of Directors</b>	:	<b>Shri Jayesh C. Patel</b> Chairman & Managing Director <b>Shri Mahendrabhai V. Patel</b> <b>Shri Mukesh N. Patel</b> <b>Shri Alkesh B. Patel</b>
<b>Audit Committee</b>	:	Shri Mahendrabhai V. Patel Chairman Shri Mukesh N. Patel Shri Jayesh C. Patel
<b>Shareholders' / Investors' Grievance Committee</b>	:	Shri Mukesh N. Patel Chairman Shri Jayesh C. Patel Shri Mahendrabhai V. Patel
<b>Remuneration Committee</b>	:	Shri Mahendrabhai V. Patel Chairman Shri Mukesh N. Patel Shri Alkesh B. Patel
<b>Company Secretary</b>	:	Shri Fagesh R. Soni
<b>Auditors</b>	:	<b>M/s. R R S &amp; Associates</b> Chartered Accountants Ahmedabad
<b>Bankers</b>	:	Bank of India Bank of Baroda Dena Bank IDBI Bank Andra Bank
<b>Registered Office</b>	:	4 <sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad – 380 054
<b>Factory</b>	:	At: Village Hanumant Heduva, Nr. Palavasna Railway Crossing, Highway, Mehsana – 3840 02
<b>Registrar &amp; Share Transfer Agent</b>	:	<b>M/s. Link Intime India Private Limited</b> Unit No 303, 3 <sup>rd</sup> Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C.G. Road, Ahmedabad -380 009



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### Important Communication to Members

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



## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Twentieth Annual General Meeting** of the Members of **VIMAL OIL & FOODS LIMITED** will be held on **Saturday, 29<sup>th</sup> September, 2012 at 11.30 A.M.** at the Registered Office of the Company at 4<sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad - 380 054 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri Mahendrabhai V. Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

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

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

**Date : 28<sup>th</sup> August, 2012**

**Registered Office :**

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

**FAGESH R. SONI  
Company Secretary**

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members, intending to send their Authorized Representative(s) to attend the Meeting, are required to send to the Company a certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. The relevant Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business in the notice is annexed hereto.
4. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and to hand over the slip at the entrance to the Meeting.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Members holding shares in physical form are requested to notify change of address, bank mandates, if any, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited at Unit No 303, 3<sup>rd</sup> Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C. G. Road, Ahmedabad, Gujarat – 380 009 or to their respective depository participants if the shares are held in electronic form.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).
8. Subject to the provisions of section 205A of the Companies Act, 1956, the dividend as recommended by the Board of Directors, if declared at the Meeting, will be dispatched / remitted commencing from the day after the Annual General Meeting to those Members whose names appear in the Register of Members of the Company / statement of beneficial ownership maintained by the Depositories as on close of business hours on 20<sup>th</sup> September, 2012.



9. Dividend for the financial year ended March 31, 2005, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government in the month of October, 2012, pursuant to the section 205A of the Companies Act, 1956. Members who have not encashed their Dividend Warrant(s) for the financial year ended March 31, 2005 or any subsequent financial year(s), are requested to approach the Company for revalidation / duplicate dividend warrants with the Company. Members are advised that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
10. Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 2003-04 have been transferred to the IEPF, pursuant to section 205C of the Companies Act, 1956 and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2003-2004.
11. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Registrar and Share Transfer Agent of the Company.
12. Members who hold shares in the physical certificate forms and wish to make/change nominations in respect of their shareholdings in the Company, as permitted under section 109A of the Companies Act, 1956, may send "Form 2B" as prescribed under the Companies (Central Government's) General Rules and Forms, 1956 to M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company, at Unit No 303, 3<sup>rd</sup> Floor, Shoppers Plaza-V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C. G. Road, Ahmedabad, Gujarat – 380 009.
13. Members desiring to have any relevant information on the accounts at the Meeting are requested to write to the Company at least seven days in advance at its Registered Office, so as to enable the Company to keep the information ready.
14. At the ensuing Annual General Meeting, Shri Mahendrabhai V. Patel shall retire by rotation and being eligible, offers himself for re-appointment subject to the approval of the Members in the ensuing Annual General Meeting. Pursuant to Clause 49 of the Listing Agreement, the particulars of Director seeking re-appointment are given herein below:

<b>Name</b>	: Shri Mahendrabhai V. Patel
<b>Date of Birth</b>	: 5 <sup>th</sup> November, 1966
<b>Date of Appointment</b>	: 16 <sup>th</sup> January, 2003
<b>Qualification</b>	: B.Com, LL.B., F.C.A
<b>Experience</b>	: Shri Mahendrabhai V. Patel is Fellow Member of the Institute of Chartered Accountants of India. He has wide experience in the field of finance, account and taxation. He is a Chairman of the Audit Committee and a Member of the Remuneration Committee & Share Holders' / Investors' Grievance Committee of the Company
<b>Directorships in other Private / Public Limited Companies</b>	: NIL
<b>Memberships of Committees in Other Public Limited Companies</b>	: NIL

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:**

As required by section 173(2) of the Companies Act, 1956 the following explanatory statement sets out the material facts relating to the business to be transacted under item no. 6 of the Agenda of the Notice and should be taken as forming part of the Notice.

#### **ITEM NO. 6**

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

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

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

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

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

**Date : 28<sup>th</sup> August, 2012**

#### **Registered Office :**

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

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

**FAGESH R. SONI  
Company Secretary**

**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS:**

(₹ in lakhs)

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

**DIVIDEND:**

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

**OPERATIONS:**

The Company's operations, continued to be satisfactory:

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

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

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

**CAPITAL RAISING/ FURTHER ALLOTMENT OF SECURITIES AND UTILIZATION OF PROCEEDS RECEIVED FROM PREFERENTIAL ALLOTMENT:****Further Issues of Equity:**

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

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Mahendrabhai V. Patel, Director of the Company, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.





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

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- i. In the preparation of the Annual Accounts, for the year ended 31<sup>st</sup> March, 2012 the applicable accounting standards have been followed by the Company along with proper explanation relating to material departure, if any;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2012 and of the profits of the Company for the year ended 31<sup>st</sup> March, 2012;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the Annual Accounts on a going concern basis.

**LISTING:**

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

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

**INDUSTRIAL RELATIONS:**

The Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation of the devoted services by workers, staff and executives of the Company.

**PARTICULARS OF EMPLOYEES:**

The particulars of employees falling under the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 are **NIL**.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The additional information required under the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report, is annexed hereto.

**CORPORATE GOVERNANCE:**

The Board of Directors of the Company had evolved and adopted a Code of Conduct based on the principles of Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company at [www.vimaloil.com](http://www.vimaloil.com).

Compliance Report, in accordance with the Clause 49 of the Listing Agreements with Stock Exchanges, on Corporate Governance forms part of the Annual Report. The Auditors' Certificate on the compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement is attached hereto and forms part of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

**AUDITORS:**

M/s. R R S & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their sincere appreciation and gratitude for the valuable support and co-operation received from the Customers and Suppliers, various Financial Institutions, Banks, Government Authorities, Auditors and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

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



**ANNEXURE TO DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY:**

a. Energy Conservation Measure Taken:

- 1) Preventive maintenance of machines to reduce energy loss.
- 2) Installed VFDS in major electric motors to cut down the electricity consumption.
- 3) Installed windmills to hedge the power requirement of the Plant.
- 4) Employees Training Program conducted for the awareness of energy conservation.

b. Additional investments and proposal, if any, being implemented for reduction of consumption of energy: In the current year no additional investments and proposal are being considered for reduction of consumption of energy. The Company has already carried out energy audit from outside agencies as per the statutory requirement.

c. Impact of the measure taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Impact has not been separately measured.

**FORM A**

Disclosure of particulars with respect to conservation of energy:

**A. POWER AND FUEL CONSUMPTION**

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

**B CONSUMPTION PER UNIT OF PRODUCTION**

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



FORM B

**B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company: NIL
2. Benefits derived as a result of the above R & D: NIL
3. Future plan of action: NIL

4. Expenditure on R & D	2011-12	2010-11
i) Capital	NIL	NIL
ii) Recurring	NIL	NIL
iii) Total	NIL	NIL
iv) Total R & D Expenditure as Percentage of total turnover	NIL	NIL

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: NIL
2. Benefits derived as a results of the above efforts e.g. cost reduction, product development, import substitution etc.: NIL
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: NIL
  - a. Technology imported: NIL
  - b. Year of import: NIL
  - c. Has technology been fully absorbed?: NIL
  - d. If not fully absorbed areas where this has not taken place, reasons thereof and future plan of action: NIL

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export Plans; Company's total exports have increased as compare to past year.

The Company's efforts continue in development and identification of new export markets and improving the share in the existing markets.

**b) Total Foreign Exchange used and earned:**

Total Foreign Exchange earnings	₹ 2154.78 lakhs
Total Foreign Exchange outgo	₹ 24338.78 lakhs
Net Foreign Exchange outgo	₹ 22184.00 lakhs

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

Place: Ahmedabad  
Date : 28<sup>th</sup> August, 2012

JAYESH C. PATEL  
Chairman & Managing Director



**REPORT ON CORPORATE GOVERNANCE**

**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 Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors in compliance of Clause 49 of the Listing Agreement.

The Board of the Company comprises Four Members – one (1) Executive Director and Three (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 Mukesh N. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Harnarayan J. Patel (Retired w.e.f. 30 <sup>th</sup> September, 2011)	Independent & Non-Executive Director	Director	2	NIL
Shri Alkesh B. Patel	Independent & Non-Executive Director	Director	NIL	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 acts 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:**

Fourteen (14) Board Meetings were held, during the financial year 2011-12,details of the Board Meetings are as under:

14 <sup>th</sup> May, 2011	30 <sup>th</sup> May, 2011	25 <sup>th</sup> June, 2011
12 <sup>th</sup> August, 2011	29 <sup>th</sup> August, 2011	12 <sup>th</sup> November, 2011
12 <sup>th</sup> December, 2011	13 <sup>th</sup> December, 2011	7 <sup>th</sup> January, 2012
11 <sup>th</sup> January 2012	27 <sup>th</sup> January 2012	9 <sup>th</sup> February 2012
6 <sup>th</sup> March, 2012	23 <sup>rd</sup> March, 2012	

All the meetings of Board of Directors of the Company are scheduled well in advance and the Board meets at least once in a quarter to review the quarterly performance and the financial results. Agenda of the Meeting were 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	14	13	92.86%	Yes
Shri Mahendrabhai V. Patel	14	14	100 %	Yes
Shri Mukesh N. Patel	14	14	100 %	No
Shri Harnarayan J. Patel (Retired w.e.f. 30 <sup>th</sup> September, 2011)	5	5	100 %	No
Shri Alkesh B. Patel (Appointed as Director w.e.f. 13 <sup>th</sup> December, 2012)	6	6	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 Exchange, as revised from time to time and as well as those stipulated by SEBI Guidelines. These terms also simultaneously complies with to the requirements of section 292A of the Companies Act, 1956.

**ii. Composition:**

The Audit Committee was comprised of three Non-Executive and Independent Directors – Shri Mahendrabhai V. Patel, Shri Mukesh N. Patel and Shri Harnarayan J. Patel. However, Shri Harnarayan J. Patel retired as Director w.e.f. 30<sup>th</sup> September, 2011 and ceased to be a Member of the Committee. The Board of Directors of the Company at its meeting held on 12<sup>th</sup> November, 2012, reconstituted the Audit Committee and appointed Shri Jayesh C. Patel as a Member of Committee in place of Shri Harnarayan J. Patel. Shri Mahendrabhai V. Patel is a Chairman of the Audit Committee. He is a Chartered Accountant and has considerable financial expertise and experience. Shri Fagesh R. Soni, Company Secretary is a Secretary of the Committee.

**iii. Meeting and the Attendance during the year 2011-12:**

Five (5) meetings were held during the year and were attended by all Members of the Committee. The Committee also met prior to finalization of accounts for the year ended on 31<sup>st</sup> March, 2012.

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 Meetings Attended	% of Total Meetings Attended
Shri Mahendrabhai V. Patel	5	5	100%
Shri Mukesh N. Patel	5	5	100%
Shri Harnarayan J. Patel (Retired w.e.f. 30 <sup>th</sup> September, 2011)	3	3	100%
Shri Jayesh C. Patel (Appointed as Member w.e.f. 12 <sup>th</sup> November, 2011)	2	1	50%

**4. Remuneration Committee:**

The Company had constituted a remuneration Committee on 31<sup>st</sup> July, 2007. The Members of the Committee were Shri Mahendrabhai V. Patel, Shri Mukesh N. Patel and Shri Harnarayan J. Patel. Shri Harnarayan J. Patel appointed as a Chairman of the Committee. However, Shri Harnarayan J. Patel retired as Director w.e.f. 30<sup>th</sup> September, 2011 and ceased to be a Chairman & Member of the Committee. The Board of Directors of the Company at its meeting held on 13<sup>th</sup> December, 2012, reconstituted the Remuneration Committee and appointed Shri Mahendrabhai V. Patel as a Chairman and Shri Mukesh N. Patel & Shri Alkesh B. Patel as Members of the Committee, all of them are Non-Executive & Independent Directors.



The Remuneration Committee recommends to the Board the compensation, terms of Executive Director(s) 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 Director(s) 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 Director(s)
- Ensuring that remuneration policy is good enough to attract, retain and motivate the Director(s).
- 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 2011-12:**

During the year, no meeting of Remuneration Committee was held.

**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 2011-12 are as under:

Particulars	Remuneration paid during the year ( ₹ In lakhs)
Salary, Bonus and allowances	14.57
Contribution to Provident fund	1.13
<b>Total</b>	<b>15.70</b>

**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. Shri Fagesh R. Soni, Company Secretary is the Secretary of the Shareholders’ / Investors’ Grievance Committee.

**- Attendance in the Year 2011-12**

During the financial year 2011-12, the Committee met nineteen (19) times and all the Members were present. The Committee meets once or twice in 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 financial year 2011-12, the Company received seventeen (17) 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 31<sup>st</sup> March, 2012.

**6. Details of General Meetings:**

**(I) Annual General Meeting**

Financial Year	Location	Category	Date	Time
2010-11	4 <sup>th</sup> Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad- 380 054	AGM	30/09/2011	11.30 AM
2009-10	4 <sup>th</sup> Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad- 380 054	AGM	30/09/2010	11.00 AM
2008-09	4 <sup>th</sup> Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad- 380 054	AGM	30/09/2009	11.30 AM



**(II) Extra Ordinary General Meeting:**

During the last three years, only one Extra Ordinary General Meeting (EGM) was held. The details of the EGM are as under:

Financial Year	Location	Category	Date	Time
2008-09	4 <sup>th</sup> Floor, Heritage, Nr. The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad- 380 054	EGM	21/08/2008	11.30 AM

- Special Resolutions for Increasing Authorised Shares Capital of the Company from ₹ 23,00,00,000 to ₹ 33,00,00,000 divided into 1,80,00,000 Equity Shares of ₹ 10 each and 1,50,00,000 Preference Shares of ₹ 10, issuance of 8% Non-Cumulative Redeemable Preference Share upto ₹ 10 Crores; and to increase borrowing power of the Company upto ₹ 500 Crores were passed at the Extra Ordinary General Meeting held on 21<sup>st</sup> August, 2008.

**(III) Postal Ballot:**

- During the year under review, no resolution was passed through the Postal Ballot. However up to the date of this Director Report, two resolutions were passed through the postal ballot under the provisions of section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The following resolutions were passed through the postal ballot .

Resolution No.	Resolution
1	<b>Special Resolution</b> for issue of the equity shares on preferential basis.
2	<b>Ordinary Resolution</b> for increasing the borrowing power of the Company.

The notice of Postal Ballot dated 11<sup>th</sup> May, 2012 was dispatched to all the shareholders on 16<sup>th</sup> May, 2012 and the result of the same was declared on 19<sup>th</sup> June, 2012 at the Registered Office of the Company based on the report of Scrutinizer, details of the result are as under:

Sr. No.	Particulars	Report for Resolution No. 1	Report for Resolution No. 2
1.	Total number of ballot papers received	51	51
2.	Total number of Members who exercised their franchise through postal ballot	51	51
3.	Total number of Invalid votes	800	961
4.	Total number of ballot papers received in defaced/ mutilated conditions	NIL	NIL
5.	Total number of valid votes	7955412	7955251
6.	Total number of votes polled in favour of the resolution	7952012	7951751
7.	Total number of votes polled against the resolution	3400	3500

The above special resolution and ordinary resolution were approved by the Shareholders with requisite majority. The Board of Directors appointed Shri Dipak Rachchha, Practising Company Secretary as a Scrutinizer to conduct the postal ballot process.

The Company has complied the procedures for Postal Ballot in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and amendments thereto.

**7. Disclosure:**

- 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 2011 -12, which may have any potential conflict with the interest of the Company at large. The transactions with the related parties have been disclosed in Note No. 28 of Notes forming part of Accounts for the year ended 31<sup>st</sup> March, 2012.

- b. Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company i.e. [www.vimaloil.com](http://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 authority(ies), on any matter related to capital markets, during the last three years: **NIL**
- e. Whistle Blower Policy: The Company does not have Whistle Blower Policy. The Company hereby affirms that no personnel has been denied access to the Audit Committee.

**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 considered, approved and took on record the quarterly financial results and submitted to the Bombay Stock Exchange.
- For the first and second quarter the quarterly financial results were published in Economic Times (Ahmedabad) in English and Gujarati edition and for the third and fourth quarter, the results were published in Business Standard (English Edition) and in Jansatta (Gujarati Edition).
- No presentation has been made to Institutional Investors or to Analysts.
- The quarterly Financial results have been displayed on Company’s website at [www.vimaloil.com](http://www.vimaloil.com).
- The Management Discussion and Analysis Report is attached to the Directors’ Report in this Annual Report.

**9. COMPLIANCE CERTIFICATE OF THE AUDITORS:**

The certificate from the Auditors of the Company, M/s. R R S & Associates, Chartered Accountants, Ahmedabad 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 Exchange where the securities of the Company are listed.

**10. General Shareholder Information:**

**I. Annual General Meeting**

Date and Time	29 <sup>th</sup> September, 2012 at 11.30 A.M.
Venue	4 <sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 054

**II. Financial Calendar**

Financial reporting for the quarter ending June 30, 2012	Second week of August 2012
September 30, 2012	Second week of November 2012
December 31, 2012	Second week of February 2012
March 31, 2012	Second week of May 2012

**III. Book Closure Date**

From 21<sup>st</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive)

**IV. Registered Office**

4<sup>th</sup> Floor, Heritage, Near 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
2004-05	16	9 <sup>th</sup> September, 2005 to 15 <sup>th</sup> September, 2005	15/09/2005	20/09/2005
2005-06	10	9 <sup>th</sup> September, 2006 to 15 <sup>th</sup> September, 2006	15/09/2006	20/09/2006
2006-07	12	21 <sup>st</sup> September, 2007 to 29 <sup>th</sup> September, 2007	29/09/2007	03/10/2007
2007-08	18	24 <sup>th</sup> September, 2008 to 30 <sup>th</sup> September, 2008	30/09/2008	05/10/2008





Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2008-09	12 (₹ 1.20 per Equity Share)	22 <sup>nd</sup> September, 2009 to 30 <sup>th</sup> September, 2009	30/09/2009	05/10/2009
2009-10	15 (₹ 1.50 per Equity Shares)	21 <sup>st</sup> September, 2010 to 30 <sup>th</sup> September, 2010	30/09/2010	04/10/2010
2010-11	15 (₹ 1.50 per Equity Shares)	21 <sup>st</sup> September, 2011 to 30 <sup>th</sup> September, 2011	30/09/2011	05/10/2011

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

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 2003-04 have been transferred to the IEPF established by the Central Government, pursuant to section 205C of the Companies Act, 1956 and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2003-2004.

**VII. Dividend Announcement:**

The Board of Directors of the Company has proposed a dividend on 6% 50,00,000 Preference Shares at ₹ 0.60 Per Share (6%) and 8% 1,00,00,000 Preference shares at ₹ 0.80 per Share (8%). On 1,14,20,000 Equity Shares, the Board has recommended a dividend of ₹ 1.20 per Share (12%) for the year ended on 31<sup>st</sup> March, 2012, 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 29<sup>th</sup> September, 2012 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 – 400 001	022-2272 1233 022-2272 1234

**IX. Location of the Depositories**

Depository	Address	Telephone No.
National Securities Depository Ltd.	4 <sup>th</sup> 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 - 400 001	022-2272 3333

**X. Stock Code:**

Name of 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 2011-12:

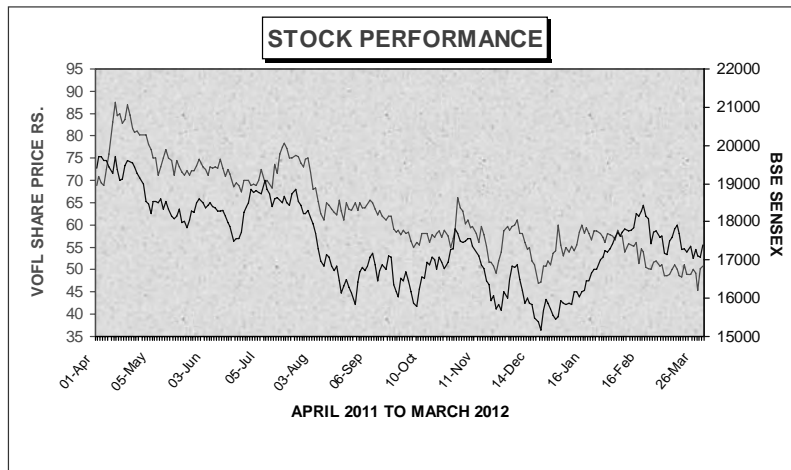
Month	BSE PRICES		VOLUME		BSE SENSEX	
	High (₹)	Low (₹)	No. of Shares Traded	Value (₹)	High	Low
Apr-11	92.80	62.00	115680	9575835	19811.14	18976.19
May-11	85.85	70.00	18596	1382433	19253.87	17786.13
Jun-11	79.05	63.10	66033	4723775	18873.39	17314.38
Jul-11	82.00	62.40	22982	1665022	19131.70	18131.86



Month	BSE PRICES		VOLUME		BSE SENSEX	
	High (₹)	Low (₹)	No. of Shares Traded	Value (₹)	High	Low
Aug-11	79.90	59.50	26481	1725597	18440.07	15765.53
Sep-11	76.00	53.05	9904	604621	17211.80	15801.01
Oct-11	70.85	54.00	7754	484811	17908.13	15745.43
Nov-11	68.00	45.05	9422	525760	17702.26	15478.69
Dec-11	65.95	42.55	11276	577880	17003.71	15135.86
Jan-12	61.50	46.25	17117	981255	17258.97	15358.02
Feb-12	62.00	48.15	27787	1494516	18523.78	17061.55
Mar-12	60.50	45.10	14686	733971	18040.69	16920.61

**XII. Stock Performance:**

Performance of share price of VIMAL OIL & FOODS LIMITED in comparison to BSE Sensex for the year 2011 -12 is as under:



**XIII. Registrar & Share Transfer Agent:**

The Company has appointed **M/s. Link Intime India Private Limited** as the Registrar and Share Transfer Agent 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: mumbai@linkintime.co.in

**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 27<sup>th</sup> December, 2002 w.e.f 1<sup>st</sup> February, 2003 having their Office at:

**M/s Link Intime India Private Limited**  
 Unit No 303, 3<sup>rd</sup> Floor, Shoppers Plaza-V,  
 Opp. Municipal Market, Behind Shoppers Plaza-II, Off. C.G. Road, Ahmedabad - 380 009  
 Phone No. 079-2646 5179  
 E-mail: ahmedabad@linkintime.co.in

**XIV. Share Transfer System:**

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

The transfer of shares in physical form is processed and completed by M/s. 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 31<sup>st</sup> March, 2012):**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shareholding
1-500	1914	84.17	298980	2.83
501-1000	150	6.60	125506	1.19
1001-2000	63	2.77	95095	0.90
2001-3000	34	1.50	86272	0.82
3001-4000	17	0.75	61863	0.59
4001-5000	24	1.06	116728	1.11
5001-10000	22	0.97	173583	1.64
10001 & Above	50	2.20	9591974	90.92
<b>Total</b>	<b>2274</b>	<b>100.00</b>	<b>10550000</b>	<b>100.00</b>

**XVI. Categories of Shareholding (as on 31<sup>st</sup> March, 2012) :**

Category of Holder	No. of Shares	% of Equity
Promoters / Persons acting in concert	7912500	75.00
Banks / Institutions / Mutual Funds	800	0.01
Private Corporate Bodies	141975	1.35
Indian Public	2469675	23.41
NRIs	20834	0.20
Any other	4216	0.04
<b>Total</b>	<b>10550000</b>	<b>100.00</b>

**XVII. Dematerialization:**

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

99,17,275 out of 1,05,50,000 Equity Shares (94.00% of the total Equity Share Capital) have been dematerialized up to 31<sup>st</sup> March, 2012.

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

In the Financial year 2010-11, the Company allotted 60,00,000 equity shares of ₹ 10/- to the promoters at premium of ₹ 40.16/-, aggregating to ₹ 30,09,60,000/- on 14<sup>th</sup> September, 2010, on preferential basis [in accordance with the regulations for Preferential Issue containing in the Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009]; and the entire amount has been utilized towards the long term working capital requirements.

On 4<sup>th</sup> August, 2012, the Company has allotted 8,70,000 equity shares of ₹ 10/- each at the premium of ₹ 55/- aggregating to ₹ 5,65,50,000/- to the non-promoters on Preferential basis.

**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**

Unit No 303, 3<sup>rd</sup> Floor, Shoppers Plaza-V Opp. Municipal Market,  
Behind Shoppers Plaza-II, Off. C.G. Road, Ahmedabad - 380 009  
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:**

**Shri Fagesh R. Soni,**

Company Secretary & Compliance Officer

**Vimal Oil & Foods Limited**

4<sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej-Gandhinagar 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



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERVIEW

During the year, global economy was hit by the deterioration of the sovereign debt conditions in Europe. In particular, it was the European Union (EU) region, which experienced significant weakening of economic activity, with a fall in output in the last quarter of 2011. The emerging economies, which had been leading the recovery, also experienced deceleration in growth. As of now, the overall economic environment continues to be fragile.

While India continues to be among the fastest growing economies, there was a marked slowdown in its growth momentum. In 2011-12 India's GDP growth rate slowed down to 6.5 percent from 8.4 percent in 2010-11.

For the Indian economy, both external and domestic channels worked adversely. Lower external demand and the slump in capital flows emanating from the weak global financial conditions resulted in the widening of the economy's current account deficit and depreciation of Rupees vis-à-vis the US Dollar. Forex reserves took a more than US\$ 10bn hit, falling from US\$ 305 bn at the beginning of 2011-12 to US\$ 294.4 bn at the end of it.

On the domestic front, the persistence of the high inflation rate and the tight monetary stance to curb inflation had a dampening impact on demand, especially the investment demand. Sectorally, it was the industrial sector especially the manufacturing sector that experienced a slowdown in the growth momentum. The deteriorating fiscal situation during the year due to overshooting of the subsidies leading to a higher deficit than the target fixed by the Government also added to the dampening of investments in the country.

Looking ahead, how effectively India tackles its twin (Current Account & Fiscal) deficit problem will be critical to the macroeconomic stability and growth of the economy.

### 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

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

#### Integrated Oil Division:

The Sales of oil division of the Company has increased by ₹ 10581.00 Lakhs compared to previous year. The EBIT of this division has recorded with ₹ (-140.00 lakhs).

#### Wind Mill Division :

The Company has installed three windmills having capacity of 1.425 MW. The segment result of this division has decreased from ₹ 43 lakhs to ₹ 32 lakhs.

### RISK & 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 depots 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. 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 statutes or other incidental factors.



## **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 31<sup>st</sup> March, 2012.

*For, VIMAL OIL & FOODS LTD*

**Place:** Ahmedabad  
**Date :** 28<sup>th</sup> August, 2012

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

## **AUDITOR'S CERTIFICATE ON CLAUSE 49 COMPLIANCE**

**To the Members of  
Vimal Oil & Foods Limited  
Ahmedabad**

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 31<sup>st</sup> March, 2012.

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 :** 28<sup>th</sup> August, 2012

**(Purva R. Shah)**  
Partner  
(M.N. 142877)



## **AUDITORS' REPORT 2011-2012**

**To**

The Member of  
Vimal Oil & Foods Limited

We have audited the attached Balance Sheet of **Vimal Oil & Foods Limited** as at 31st March, 2012 and the Statement of Profit & Loss 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 require 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Statement of Profit & Loss 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 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012
  - (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
  - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR, RRS & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. : 118336W  
(RAJESH R. SHAH)**

**PLACE: AHMEDABAD**

**DATE : 28<sup>TH</sup> AUGUST, 2012**

**PARTNER  
MEMBERSHIP NO. 034549**





## **Annexure referred to in our report of even date to the members**

1. a. The company has maintained the proper records showing full particulars including quantitative details and situation of its Fixed Assets.  
b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of verification adopted by the company. Which in our opinion is reasonable, having regard to the company and nature of its assets. To the best of our knowledge no material discrepancies were noticed on such verification.  
c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
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 not taken unsecured loans from any parties covered in the register maintained under section 301 to the Companies Act, 1956.
  - 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.
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. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that the prescribed accounts and records have been maintained.
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. According to the information and explanations given to us, there were no undisputed statutory dues, outstanding at the year ended on 31<sup>st</sup> March 2012, for a period of more than six months from the date they became payable.



**Annexure referred to in our report of even date to the members**

Name of Statute	Nature of dues	Amount (₹)	Accounting 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 Lakhs	2001-02 to 2004-05	Appellate Authority
Rajasthan Sales tax Act, 1994	Sales Tax	139.48 Lakhs	2002-03	Appellate Authority
Income Tax Act, 1961	Income Tax	53.83 Lakhs	1999-2000	Appellate Authority
Income Tax Act, 1961	Income Tax	67.00 Lakhs	2007-08	Appellate Authority
Income Tax Act, 1961	Income Tax	5.97 Lakhs	2008-09	Appellate Authority

b. According to the information and explanation given to us disputed government dues that have not been deposited are as follows:

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 banks.
12. According to the information and explanation given to us, the company has not granted any loans and advances based on 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. In respect of commodity, future trading, in our opinion and according to the information and explanations given to us, proper records has been maintained and the transactions are timely entered therein.

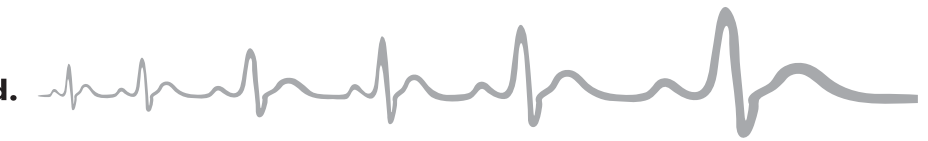
Annexure referred to in our report of even date to the members of Vimal Oil & Foods Limited

15. According to the information and explanations given to us, the company has not provided any corporate guarantee for loans taken by others.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained.
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 funds raised on short-term basis have not been used during the year for long-term investment.
18. According to the information and explanations given to us during the year, the company has not made preferential allotment to the parties and companies covered under the register maintained u/s 301 of the Act.
19. The company has not issued any debenture during the year.
20. The company has not raised fund from public during the year.
21. To the best of our knowledge and according to the information and explanation given to us, no fraud by the company and no fraud on the company has been noticed or reported during the year.

**FOR, RRS & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN. : 118336W**

**(RAJESH R. SHAH)  
PARTNER  
MEMBERSHIP NO. 034549**

**PLACE : AHMEDABAD  
DATE : 28<sup>TH</sup> AUGUST, 2012**



**VIMAL OIL & FOODS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

(₹ in lakhs)

Particulars	Note No	As At	As At	As At	As At
		31/ 03/ 2012	31/ 03/ 2012	31/ 03/ 2011	31/ 03/ 2011
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	2555.00		2555.00	
(b) Reserves and Surplus	2	5385.02		5078.48	
			7940.02		7633.48
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	3	767.45		1171.82	
(b) Deferred tax liabilities (Net)	4	480.21		489.48	
			1247.66		1661.30
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	5	22722.77		13747.24	
(b) Trade payables	6	15287.37		14705.28	
(c) Other current liabilities	7	849.27		795.49	
(d) Short-term provisions	8	587.61		808.06	
			39447.02		30056.07
<b>Total</b>			<b>48634.70</b>		<b>39350.85</b>
<b>II. Assets</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	9				
(i) Tangible assets		3557.41		3339.67	
(ii) Work in Progress		1.29		6.11	
(b) Long term loans and advances	10	740.45		701.18	
			4299.15		4046.96
<b>(2) Current assets</b>					
(a) Inventories	11	10507.00		5846.46	
(b) Trade receivables	12	29697.63		26546.60	
(c) Cash and cash equivalents	13	2972.77		2049.11	
(d) Short-term loans and advances	14	1158.15		861.72	
			44335.55		35303.89
<b>Total</b>			<b>48634.70</b>		<b>39350.85</b>
Significant Accounting Policies					
Notes to Financial Statements	1 to 31				

As per our report of even date attached herewith.  
FOR RRS & ASSOCIATES  
Chartered Accountants  
FRN. 118336W

FOR AND ON BEHALF OF THE BOARD OF  
VIMAL OIL & FOODS LIMITED

Jayesh C. Patel  
Chairman & Managing Director

Mahendrabhai V. Patel  
Director

RAJESH R. SHAH  
Partner  
M.No. 034549  
Place: Ahmedabad  
Date: 28th August 2012

Fagesh R. Soni  
Company Secretary  
Place: Ahmedabad  
Date: 28th August 2012



## VIMAL OIL &amp; FOODS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in lakhs)

Particulars	Note No	2011-12	2010-11
<b>I. INCOME</b>			
Revenue from operations	15	124794.71	113959.30
Other Income	16	25.37	22.26
<b>Total Revenue</b>		<b>124820.08</b>	<b>113981.56</b>
<b>II. EXPENDITURE:</b>			
Cost of Materials Consumed	17	57,960.16	56503.70
Purchase of Stock -in-Trade		56479.42	51071.42
Changes in Inventories of Finished goods, Work-in-Progress and by products	18	56.44	(2319.62)
Employee Benefits Expense	19	324.68	219.77
Finance Costs	20	1629.33	1138.89
Depreciation and Amortization Expense		262.79	246.86
Other Expenses	21	7183.35	5613.86
<b>Total Expenses</b>		<b>123896.17</b>	<b>112474.88</b>
<b>III. Profit Before Tax</b>	<b>(I-II)</b>	<b>923.91</b>	<b>1506.68</b>
<b>IV. Tax Expenses</b>			
- Current tax		275.00	422.00
- Deferred tax		(9.27)	16.19
- Income tax for earlier years		76.66	33.86
<b>V. Profit for the year</b>		<b>581.52</b>	<b>1034.63</b>
Basic & Diluted (in ₹)	22	5.51	9.81
Significant Accounting Policies			
Notes to Financial Statements	1 to 31		

As per our report of even date attached herewith.  
**FOR RRS & ASSOCIATES**  
Chartered Accountants  
FRN. 118336W

**FOR AND ON BEHALF OF THE BOARD OF**  
**VIMAL OIL & FOODS LIMITED**

Jayesh C. Patel  
Chairman & Managing Director

Mahendrabhai V. Patel  
Director

**RAJESH R. SHAH**  
Partner  
M.No. 034549  
Place: Ahmedabad  
Date: 28th August 2012

Fagesh R. Soni  
Company Secretary  
Place: Ahmedabad  
Date: 28th August 2012

**VIMAL OIL & FOODS LTD.****Cash Flow Statement for the year 2011-12**

(₹ in lakhs)

	PARTICULAR	FY 2011-12 ₹	FY 2010-11 ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Taxes & Extra-Ordinary Items	923.91	1506.68
	Adjustments for :		
	Depreciation	262.79	246.86
	Interest & Other Financial Charges	1629.33	1138.89
	Profit / Loss on Sale of Asset	0.00	(0.34)
		<u>1892.12</u>	<u>1385.41</u>
	<b>Operating Profit before Working Capital Changes</b>	<b>2816.03</b>	<b>2892.09</b>
	(Increase) / Decrease in Inventory	(4660.54)	(1639.26)
	(Increase) / Decrease in Trade & Others Receivables	(3135.02)	(11748.12)
	Increase / (Decrease) in Trade Payables	600.24	5381.32
	<b>Cash Generated from Operation</b>	<b>(4379.29)</b>	<b>(5113.97)</b>
	Direct Taxes Paid	(810.10)	(392.45)
	Net Cash from Operating Activities	<u>(5189.39)</u>	<u>(5506.42)</u>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(480.53)	(342.85)
	Sale of Fixed Assets	4.82	4.60
	Net Cash (used in) / from Investing Activities	<u>(475.71)</u>	<u>(338.25)</u>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Share Capital Received	0.00	600.00
	Share Premium Recived	0.00	2409.60
	Increase in Long Term Loans & Other Borrowings	8530.90	3704.47
	Dividend Paid (with Tax)	(312.80)	(208.54)
	Interest Paid (Net)	(1629.33)	(1138.89)
	Net Cash (used in) / from Financing Activities	<u>6588.77</u>	<u>5366.64</u>
	<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	923.67	(478.03)
	<b>Opening Cash &amp; Cash Equivalents</b>	2049.10	2527.13
	<b>Closing Cash &amp; Cash Equivalents</b>	<u>2972.77</u>	<u>2049.10</u>

As per our report of even date attached herewith.  
**FOR RRS & ASSOCIATES**  
Chartered Accountants  
FRN. 118336W

**FOR AND ON BEHALF OF THE BOARD OF**  
**VIMAL OIL & FOODS LIMITED**

Jayesh C. Patel  
Chairman & Managing Director

Mahendrabhai V. Patel  
Director

RAJESH R. SHAH  
Partner  
M.No. 034549  
Place: Ahmedabad  
Date: 28th August 2012

Fagesh R. Soni  
Company Secretary  
Place: Ahmedabad  
Date: 28th August 2012



## SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.

### SIGNIFICANT ACCOUNTING POLICIES

#### (A) BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared on the historical cost convention on the accrual basis of accounting and comply with accounting standards as specified in Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 1956, in accordance with normally accepted Accounting Principles.

#### (B) USE OF ESTIMATES

The preparation of financial statement in conformity with Generally Accepted Accounting Principles require management to make estimate and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statement. Actual result could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### (C) REVENUE RECOGNITION

- (a) Revenue from sale of goods to domestic customers are recognized on dispatch of goods from the factory. Revenue from sale of goods to overseas customers are 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.

#### (D) FIXED ASSETS

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.

#### (E) DEPRECIATION

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

#### (F) EXPORT INCENTIVES

company is entitled for draw back as export incentive and the same are taken into books on the accrual basis.

#### (G) 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.

#### (H) VALUATION OF INVENTORIES

Raw Materials Stores & Spares & Semi Finished Goods	"At Cost or Market Value whichever is lower"
Finished Goods	"At Cost or Market Value whichever is lower"
By Products	"At Net Realizable Value"

Cost of Raw Material is determined using FIFO Method.

Cost of Finished Goods and Semi Finished Goods includes cost of Raw Material and appropriate share of overhead based on normal operating capacity of the productions facility.

#### (I) EARNING PER SHARE

Earnings per share is calculated by dividing net profit after tax for the year attributable to the equity share outstanding during the year. The diluted EPS is the same as basic EPS.



**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.**

**(J) 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.

**(K) RETIREMENT BENEFITS**

**(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.

**(L) 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.

**(M) FOREIGN CURRENCY TRANSACTIONS**

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

(c) Non monetary foreign currency items are carried at cost.

(d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**(N) FORWARD CONTRACTS IN FOREIGN CURRENCY**

The company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of this foreign exchange forward reduces the risk or cost to the company. The company does not use this for trading or speculation purposes. Forward contracts are fair valued at the reporting date. The resultant gain or loss from these transactions is recognized in the profit and loss account.

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**As per our report of even date attached herewith.**  
**FOR RRS & ASSOCIATES**  
**Chartered Accountants**  
**FRN. 118336W**

**RAJESH R. SHAH**  
**Partner**  
**M.No. 034549**  
**Place: Ahmedabad**  
**Date: 28th August 2012**

**FOR AND ON BEHALF OF THE BOARD OF**  
**VIMAL OIL & FOODS LIMITED**

**Jayesh C. Patel**  
**Chairman & Managing Director**

**Mahendrabhai V. Patel**  
**Director**

**Fagesh R. Soni**  
**Company Secretary**  
**Place: Ahmedabad**  
**Date: 28th August 2012**





**Notes on Financial Statements for the Year ended 31st March, 2012**

The previous year figures have been regrouped /reclassified ,wherever necessary to conform to the current year presentation.

NOTE : 1 SHARE CAPITAL	As at 31/ 03/ 2012		As at 31/ 03/ 2011	
<b>AUTHORISED SHARE CAPITAL :</b>				
18000000 Equity Shares of ₹10/- each (18000000)	1800.00		1800.00	
15000000 Preference Shares of ₹10/-each (15000000)	1500.00		1500.00	
		<b>3,300.00</b>		<b>3,300.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL :</b>				
10550000 Equity Shares of ₹10 each fully paid up (10550000)	1,055.00		1,055.00	
5000000 6% Preference shares of ₹ 10/- each (5000000) Fully paid up	500.00		500.00	
10000000 8% Preference shares of ₹10/- each (10000000) Fully paid up	1,000.00		1,000.00	
		<b>2,555.00</b>		<b>2,555.00</b>
<b>TOTAL</b>		<b>2,555.00</b>		<b>2,555.00</b>

**1.1 (i) The details of shareholders holding more than 5% of Equity shares**

Sr No.	Name of Shre holder	As at 31/ 03/ 2012		As at 31/ 03/ 2011	
		No. of Share	% Held	No. of Share	% Held
1	JAYESH C. PATEL	2096300	19.87	2096300	19.87
2	CHANDUBHAI I. PATEL	1785100	16.92	1785100	16.92
3	PRADIP C. PATEL	1770300	16.78	1770300	16.78
4	SONAL J. PATEL	700000	6.64	700000	6.64
5	KANTABEN C. PATEL	637000	6.04	637000	6.04
6	JIGISHA P. PATEL	624000	5.91	624000	5.91

**(ii) The details of shareholders holding more than 5% of Preference shares  
8% Preference Shares**

Sr No.	Name of Shre holder	As at 31/ 03/ 2012		As at 31/ 03/ 2011	
		No. of Share	% Held	No. of Share	% Held
1	JAYESH C. PATEL	6000000	60.00	6000000	60.00
2	CHANDUBHAI I. PATEL	4000000	40.00	4000000	40.00

**6% Preference Shares**

Sr No.	Name of Shre holder	As at 31/ 03/ 2012		As at 31/ 03/ 2011	
		No. of Share	% Held	No. of Share	% Held
1	CHANDUBHAI I. PATEL	3500000	70.00	3500000	70.00
2	JAYESH C. PATEL	1500000	30.00	1500000	30.00

**1.2 The reconciliation of the number of shares outstanding is set out below.**

Particulars	As at 31/ 03/ 2012		As at 31/ 03/ 2011	
	No. of Shares		No. of Shares	
Equity shares at the beginning of the year		10550000		4550000
Add: Shares issued during the year		0		6000000
<b>A.Equity shares at the end of the year</b>		<b>10550000</b>		<b>10550000</b>
Preference shares at the beginning of the year		15000000		15000000
Add: Shares issued during the year		0		0
<b>B.Preference shares at the end of the year</b>		<b>15000000</b>		<b>15000000</b>

**Notes on Financial Statements for the Year ended 31st March, 2012****1.3 Terms /rights attached to equity share and preference share**

(i) **Equity** : The company has equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to have one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

(ii) **Preference**: The company has (a) 6% Non cumulative Redeemable preference shares and (b) 8% Non cumulative Redeemable preference shares having par value of ₹10 per share. The holders of preference share are entitled to enjoy the rights of not only receiving the dividend at fixed rate but also receiving the capital on winding up.

<b>NOTE : 2 RESERVES &amp; SURPLUS</b>	<b>As at 31/ 03/ 2012</b>		<b>As at 31/ 03/ 2011</b>	
<b>Security Premium Reserve</b>				
As at Commencement and end of the Year	2409.60		2409.60	
		2409.60		2409.60
<b>General Reserve</b>				
As at Commencement of the Year	873.58		823.58	
Add : Transferred from Profit & Loss Account	50.00		50.00	
		923.58		873.58
<b>Other Reserves</b>				
Opening Balance of P & L a/c	1795.30		1123.47	
Add: During the year profit	581.52		1034.63	
Less: Appropriations				
Proposed Dividend	236.60		268.25	
{Dividend per share ₹1.20/- (Previous year ₹1.50/-)}				
Tax on Dividend	38.38		44.55	
Transfer to General Reserve	50.00		50.00	
		2051.84		1795.30
<b>TOTAL</b>		<b>5385.02</b>		<b>5078.48</b>

<b>NOTE : 3 LONG TERM BORROWINGS</b>	<b>As at 31/ 03/ 2012</b>		<b>As at 31/ 03/ 2011</b>	
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>A) Secured Loans</b>				
<b>From Bank</b>				
<b>Rupee Term Loan</b>				
Bank of India	0.00	52.00	52.00	39.00
Secured by hypothecation of windmill and by equitable mortgage over land & Building situated at Heduva Heduvant, Mehsana and at Kalyanpur, Jammnagar and personal guarantee of Managing Director and promoters.				
Terms: 4 Quarterly Instalments of ₹. 13.00 Lakhs @ 14.50%				
<b>Rupee Corporate Loan #</b>				
Bank of India	250.00	250.00	437.50	250.00
Bank of Baroda	58.37	233.32	268.17	233.32
Secured by pari passu charge over the specific fixed assets				
Terms:				
1) BOI: 8 Quarterly Instalment of ₹. 62.5 Lakhs @ 14.25%				
2) BOB: 4 Quarterly Instalment of ₹ 58.33 Lakhs @ 14.75% and last instalment of ₹ 58.37 lakhs				



## Notes on Financial Statements for the Year ended 31st March, 2012

## NOTE : 3 LONG TERM BORROWINGS

	As at 31/ 03 / 2012		As at 31/ 03/ 2011	
	Non Current	Current	Non Current	Current
<b>Rupee Vehicle Loan</b>				
Kotak Mahindra Bank Ltd.	0.00	87.95	12.00	103.36
Secured against hypothecation of vehicles				
Terms:11 Monthly Instalments & ROI @ 15.52% p.a.	<u>308.37</u>	<u>623.27</u>	<u>769.67</u>	<u>625.68</u>
<b>B) Unsecured Loans</b>				
From Directors and Promoters	442.98	0.00	399.80	0.00
Dealers/Distributors Deposit	16.10	0.00	2.35	0.00
	<u>459.08</u>	<u>0.00</u>	<u>402.15</u>	<u>0.00</u>
<b>TOTAL</b>	<u>767.45</u>	<u>623.27</u>	<u>1171.82</u>	<u>625.68</u>
<b>#Maturity Profile:</b>	<b>1-2 years</b>	<b>2-4 years</b>	<b>Beyond 4 years</b>	
Corporate loan from banks	308.37	0.00	0.00	

## NOTE : 4 DEFERRED TAX LIABILITY (Net)

	As at 31/ 03/ 2012	As at 31/ 03/ 2011
Deferred Tax Liability	489.48	473.29
On account of Timing Difference of Depreciation	(9.27)	16.19
<b>TOTAL</b>	<u>480.21</u>	<u>489.48</u>

## NOTE : 5 SHORT TERM BORROWINGS

	As at 31/ 03/ 2012	As at 31/ 03/ 2011
<b>Secured Working Capital Loans From Banks</b>		
(i) Bank of India	8847.46	8646.71
(ii) Bank of Baroda	7454.30	3,674.70
(iii) Dena Bank	4165.36	1,413.21
(iv) IDBI Bank Ltd	724.46	12.62
(v) Punjab National Bank	801.98	0.00
(vi) Andhra Bank	729.21	0.00
<b>TOTAL</b>	<u>22,722.77</u>	<u>13,747.24</u>

Secured by hypothecation of current assets  
Secured by equitable mortgage over land & Building situated at Village: Heduva Hanumant, Mehsana and at Kalyanpur, Jamnagar and personal guarantee of Managing Director and promoters.  
Terms:Repayable on Demand

## NOTE : 6 TRADE PAYABLE

	As at 31/ 03/ 2012	As at 31/ 03/ 2011
Trade payables		
-For Goods	14,660.49	13,996.23
-For Expenses	626.89	709.05
<b>TOTAL</b>	<u>15,287.37</u>	<u>14,705.28</u>

## NOTE : 7 OTHER CURRENT LIABILITIES

	As at 31/ 03/ 2012	As at 31/ 03/ 2011
Current maturities of long term debt & vehicle loan#	623.27	625.68
Interest payable on term/corporate loan	150.79	69.28
Unclaimed Dividend	8.39	8.07
Sundry Creditors for Capital Goods	31.25	28.94
Other payables *	35.57	63.52
<b>TOTAL</b>	<u>849.27</u>	<u>795.49</u>

# Refer note 3

\* Includes Statutory Dues.



**Notes on Financial Statements for the Year ended 31st March, 2012**

<b>NOTE : 8 SHORT TERM PROVISIONS</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
For Expenditure	37.63	73.26
For Tax	275.00	422.00
Proposed Dividend	236.60	268.25
Dividend Distribution Tax	38.38	44.55
<b>TOTAL</b>	<b>587.61</b>	<b>808.06</b>

**NOTE : 9 - FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2011	Additions	Sales/ Transfers	As at 31.3.2012	As at 31.3.2011	For the Year	Adjustment Sales/Trans	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
<b>Tangible Assets :</b>										
Land	24.13	-	-	24.13	-	-	-	-	24.13	24.13
Land Site Development	7.86	8.47	-	16.33	-	-	-	-	16.33	7.86
Road Construction	37.04	-	-	37.04	4.47	0.61	-	5.08	31.96	32.57
Factory Building	619.99	158.25	-	778.24	172.52	20.25	-	192.77	585.47	447.47
Office Building	14.02	-	-	14.02	2.97	0.23	-	3.20	10.82	11.05
Plant & Machinery	3,839.16	285.94	-	4,125.10	1,337.18	204.72	-	1,541.90	2,583.20	2,501.98
Lab. Equipment	10.87	1.88	-	12.75	7.07	0.52	-	7.59	5.16	3.80
Electrification	77.87	5.88	-	83.75	21.19	3.79	-	24.98	58.77	56.68
Computer	40.39	3.53	-	43.92	36.74	3.87	-	40.61	3.31	3.65
Furniture & Fixture	128.03	1.31	-	129.34	44.40	8.11	-	52.51	76.82	83.63
Office Equipment	57.07	3.56	-	60.63	20.64	2.75	-	23.39	37.24	36.43
Vehicle (HMV)	41.56	-	-	41.56	13.90	4.08	-	17.98	23.58	27.66
Vehicle (LMV)	144.61	11.72	-	156.33	41.86	13.84	-	55.70	100.62	102.75
<b>Total Tangible Asset</b>	<b>5,042.61</b>	<b>480.53</b>	<b>-</b>	<b>5,523.14</b>	<b>1,702.94</b>	<b>262.79</b>	<b>-</b>	<b>1,965.73</b>	<b>3,557.41</b>	<b>3,339.67</b>
<b>Intangible Assets:</b>										
WIP-Building Construction	6.11	-	4.82	1.29	-	-	-	-	1.29	6.11
WIP-Plant & Machinery	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,048.72</b>	<b>480.53</b>	<b>4.82</b>	<b>5,524.42</b>	<b>1,702.94</b>	<b>262.79</b>	<b>-</b>	<b>1,965.73</b>	<b>3,558.69</b>	<b>3,345.78</b>
Previous Year	4,705.85	488.14	145.30	5,048.69	1,460.63	246.86	4.56	1,702.93	3,345.77	3,245.23

<b>NOTE : 10 LONG-TERM LOANS &amp; ADVANCES</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
( Unsecured and Considered good)		
Deposits	34.80	31.05
Loans and Advances to Others	299.16	263.63
Balance with Revenue Authorities	406.50	406.50
<b>TOTAL</b>	<b>740.45</b>	<b>701.18</b>

<b>NOTE : 11 INVENTORIES</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
(At Lower of Cost or Net Realisable Value)		
Raw Material	6,249.71	1,444.08
Stock in process	334.17	0.00
Finished Goods	3,456.27	3,958.41
Packing Material	294.93	395.43
Stores & Spares	55.00	43.14
By Product	116.94	5.40
<b>TOTAL</b>	<b>10,507.00</b>	<b>5,846.46</b>



## Notes on Financial Statements for the Year ended 31st March, 2012

<b>NOTE :12 TRADE RECEIVABLE</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
(Unsecured and considered good)		
Over six Months	62.29	64.13
Others	29,635.34	26,482.47
<b>TOTAL</b>	<b><u>29,697.63</u></b>	<b><u>26,546.60</u></b>
<b>NOTE:13 CASH &amp; CASH EQUIVIVALANTS</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
Balance with Banks #	57.22	119.61
Cash on hand	15.26	18.28
Fixed deposits with banks *	2,900.29	1,911.21
<b>TOTAL</b>	<b><u>2,972.77</u></b>	<b><u>2,049.11</u></b>
# Includes unclaimed dividend of ₹8.39 (P.Y. ₹8.07)		
* Includes FDR of ₹839.68 lakhs with maturity of more than 12 months		
<b>NOTE :14 SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
Unsecured Advances		
Balance with Revenue authorities	739.23	426.79
Interest Receivable	27.79	12.04
Prepaid Expenses	13.35	12.00
Advances to suppliers	137.88	331.46
Others*	239.91	79.43
<b>TOTAL</b>	<b><u>1,158.15</u></b>	<b><u>861.72</u></b>
*Includes, power generation income receivable & insurance claim receivable and short term loans and advances to staffs and others		
<b>NOTE : 15 REVENUE FROM OPERATIONS</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
Sale of Products	124255.59	113556.86
Less: Excise duty (by products)	46.93	9.87
	<b><u>124208.66</u></b>	<b><u>113546.99</u></b>
Other Operating Revenues	586.05	412.31
<b>TOTAL</b>	<b><u>124,794.71</u></b>	<b><u>113,959.30</u></b>
<b>Note 15.1 Sale of Products</b>		
Domestic Sales	119875.22	109312.83
Exports - Direct	2154.78	2397.75
Exports - Indirect	2225.59	1846.27
	<b><u>124,255.59</u></b>	<b><u>113,556.86</u></b>
<b>NOTE:16 OTHER INCOME:</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
Export Incentives	25.37	21.92
Profit on sale of fixed assets	0.00	0.34
<b>TOTAL</b>	<b><u>25.37</u></b>	<b><u>22.26</u></b>
<b>NOTE:17 COST OF MATERIAL CONSUMED</b>	<b>As at 31/ 03/ 2012</b>	<b>As at 31/ 03/ 2011</b>
Raw Material Consumed		
Opening Stock	1444.08	2348.00
Purchases(Incl. cost of purchase)	62765.79	55599.77
	<b><u>64209.87</u></b>	<b><u>57947.78</u></b>
Less : Closing Stock	6249.71	1444.08
<b>Raw Material Consumed</b>	<b><u>57960.16</u></b>	<b><u>56503.70</u></b>



**Notes on Financial Statements for the Year ended 31st March, 2012**

Details of Major items of Raw Material Consumption	Amount	Amount
Cottonseed Oil	32677.90	28722.23
Soyabean seed & Oil	5854.85	12162.67
Rapeseeds, Rapeseed oil & cake	11393.24	5379.74
Palm & Palmolein Oil	5160.15	8372.00
Groundnut Oil	1309.76	913.04
Others	912.82	667.49
Purchase cost	651.44	286.53
<b>Total</b>	<b>57960.16</b>	<b>56503.70</b>

Details of Imported and Indigenous Raw Material Consumption and %	Amount	Percentage	Amount	Percentage
Imported	3908.00	6.74	2097.02	3.71
Indigenous	54052.16	93.26	54406.68	96.29
<b>Total</b>	<b>57960.16</b>	<b>100.00</b>	<b>56503.70</b>	<b>100.00</b>

NOTE:18 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND BY PRODUCTS	As at 31/ 03/ 2012	As at 31/ 03/ 2011
<b>Inventories (at close)</b>		
Finished Goods	3456.27	3958.41
Stock in process	334.17	0.00
By products	116.94	5.40
	<u>3907.37</u>	<u>3963.81</u>
<b>Inventories (at commencement)</b>		
Finished Goods	3958.41	1612.26
Stock in process	0.00	29.38
By products	5.40	2.55
	<u>3963.81</u>	<u>1644.19</u>
<b>TOTAL</b>	<b><u>56.44</u></b>	<b><u>(2319.62)</u></b>

NOTE:19 EMPLOYEE BENEFITS EXPENSE	As at 31/ 03/ 2012	As at 31/ 03/ 2011
Salaries & Wages	292.12	189.32
Contribution to P.F., Gratuity & E.D.L.I	14.00	11.97
Bonus	12.51	14.95
Staff Welfare Expenses	6.05	3.53
<b>TOTAL</b>	<b>324.68</b>	<b>219.77</b>

NOTE:20 FINANCE COST	As at 31/ 03/ 2012	As at 31/ 03/ 2011
<b>Interest on:</b>		
on Working Capital	2,494.46	1,187.88
on Term Loans	148.56	483.99
Interest to Others	57.34	124.37
Less: Interest Earned	(1555.82)	(991.48)
<b>Interest Expenses</b>	<b>1144.55</b>	<b>804.76</b>
Bank and other Financial Charges	484.79	334.13
<b>TOTAL</b>	<b><u>1,629.33</u></b>	<b><u>1,138.89</u></b>



## Notes on Financial Statements for the Year ended 31st March, 2012

NOTE:21 OTHER EXPENSES			As at 31/ 03/ 2012		As at 31/ 03/ 2011	
<b>Manufacturing Expenses:</b>						
Consumption of packing materials						
	% 11-12	% 10-11				
- Imported	0.00%	0.00%	0.00		0.00	
- Indigenous	100.00%	100.00%	4204.88	4204.88	3020.09	3020.09
Consumption of stores, Spares & Tools:						
	% 11-12	% 10-11				
- Imported	0.00%	0.00%	0.00		0.00	
- Indigenous	100.00%	100.00%	329.45	329.45	280.16	280.16
Job-work Charges			180.11		342.71	
Labour hire charges			192.05		157.21	
Power & Fuel			762.62		581.09	
Other Manufacturing Expenses			78.79		37.81	
<b>Administrative Expenses</b>						
Payment to Auditor						
(a) As Auditor						
			2.50		1.50	
			1.50		1.00	
(b) For Company law & Management Consultancy			0.75		0.50	
(c) For Certification & others			1.43		0.86	
Insurance Charges			83.48		62.23	
Legal , Professional & Consultancy Expenses			60.90		54.09	
Rates and Taxes			15.40		10.53	
Office & Godown Rents			12.93		11.32	
Other Administrative Expenses			165.88		97.73	
<b>Selling &amp; Distribution Expenses</b>						
Advertisement expenses			383.76		334.22	
Freight expenses			365.50		338.73	
Other selling and distribution expenses			341.42		282.09	
<b>TOTAL</b>			<b>7183.35</b>		<b>5613.86</b>	
NOTE:22 EARNING PER SHARE			As at 31/ 03/ 2012		As at 31/ 03/ 2011	
i)	Net profit after tax as per statement of profit and loss attributable to Equity Shareholders (₹ in Lakhs)		581.52		1,034.63	
ii)	Weighted Average number of equity shares used as denominator for calculating EPS		10,550,000		10,550,000	
iii)	Basic & Diluted Earning per share (₹)		5.51		9.81	
iv)	Face value per equity share (₹)		10.00		10.00	



**Notes on Financial Statements for the Year ended 31st March, 2012****23. Contingent Liabilities**

(₹ in lakhs)

	2011-2012 ₹	2010-11 ₹
Bank guarantee given in favor of GAIL	6.50	6.50
Liability in respect of Letter of credit against which goods not received upto 31 <sup>st</sup> March, 2012	5625.14	0
Sales Tax Demand under Sales Tax Laws for the accounting year 2001-02, 2002-03, 2003-04 *	618.22	618.22
Sales Tax Demand under Rajasthan Sales Tax Act, 1994 for the year 2002-03*	139.48	139.48
Demand under Income Tax Act, 1961 for the accounting year 1999-2000	53.83	0
Demand under Income Tax Act, 1961 for the accounting year 2007-0867.	00	67.00
Demand under Income Tax Act, 1961 for the accounting year 2008-09	5.97	0

**Note:**

\* As against the same, the company has paid under protest of ₹ 406.50 lakhs and shown as Loans and Advances.

**24.** 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.

**25. Micro and Small Scale Business Enterprises:**

The management has initiated the process of identifying enterprises those have provided 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.

**26.** Quantity of inventories is based upon physical verification by the management and valuation is based on details of cost and realizable value (wherever applicable) considering the quality and other relevant factors ascertained by management. The quantities of inventories, sales and purchases are taken based on details worked out from the bills and the stock records maintained by the company (wherever applicable).

**27. Employee Benefits ( In continuation with Note : 19)**

The disclosure required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 is given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized and charged off the year, is as under:

Employer's Contribution to Provident Fund ₹ 994627/-

**Defined Benefit Plan**

The company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invest the funds as per IRDA guidelines. The details of these defined plans recognized in the financial statements are as under:

**General Description of the Plan:**

The company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payments to vested employees at retirement, death, incapacitation of termination of employment, of an amount based on the respective employees salary and the tenure of employment.

**Status of gratuity plan as required under AS 15(Revised)**

Reconciliation of opening and closing balance of Running Account

Particulars	2011-2012(₹)	2010-2011(₹)
Opening balance	2055454	1716947
Amount credited towards the fund	277780	265995
Amount paid as claim	0	(92712)
Interest credited for the year	193871	165224
<b>Closing balance</b>	<b>2527105</b>	<b>2055454</b>



## Notes on Financial Statements for the Year ended 31st March, 2012

### 28. Related Party Disclosures As Per Accounting Standard - 18

Names of related parties and description of relationship from/to which following transactions were entered during the year.

#### A. (i) Key Management Personnel

Shri Jayeshbhai Patel – Managing Director

#### (ii) Relatives:

Shri Chandubhai Patel

Shri Pradipbhai Patel

Smt. Jigishaben Patel

Smt. Kantaben Patel

#### B. Enterprises over which Key Management Personnel and their relative have substantial interest from/to which following transactions were entered during the year.

M/s Vimal Dairy Limited

M/s Vim Coats

M/s Swastik Ceracon Limited

#### i. Transactions with related parties

(₹ In lakhs)

Sr. No.	Nature of Transaction	2011-12(₹)	2010-11 (₹)
<b>In Relation to (A) above</b>			
1.	Managerial Remuneration	15.70	16.26
2.	Interest Paid	47.98	17.06
<b>In Relation to (B) above</b>			
1.	Sale / Rent / Job Work Income	250.77	126.47
2.	Interest Received	Nil	Nil
3.	Purchase of Goods	131.72	0.40
4.	Expenses Paid	Nil	Nil
5.	Loan Received	Nil	1.31
6.	Loans Given/Repaid	Nil	1201.31
<b>II Outstanding Balance</b>		<b>As at 31.03.2012(₹)</b>	<b>As at 31.03.2011(₹)</b>
7.	Loans Given	Nil	Nil
8.	Loans Received	442.98	399.81
9.	Debtors	Nil	0.17
10.	Creditors	29.96	1.52

### 29. 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.

Segment Assets and Segment Liabilities represent assets and liabilities of respective segments.



## Notes on Financial Statements for the Year ended 31st March, 2012

## INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS :

(₹ in lakhs)

Particulars	Integrate Oil Division		Powder Plant		Wind Mill		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>Segment Revenue</b>								
Sales & Operating Income	124,335	113,754	367	108	93	98	124,795	113,959
Other Income	25	22	0	0	0	0	25	22
<b>Total Revenue</b>	<b>124,360</b>	<b>113,776</b>	<b>367</b>	<b>108</b>	<b>93</b>	<b>98</b>	<b>124,820</b>	<b>113,982</b>
Segment results before interest & tax	2,373	2,513	149	89	32	43	2,554	2,645
Interest Expense (Net)	0	0	0	0	0	0	1,629	1,139
Income Tax	0	0	0	0	0	0	352	456
Deferred Tax	0	0	0	0	0	0	(9)	16
<b>Profit After Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>582</b>	<b>1,034</b>
<b>Other Information</b>								
Capital Employed	<b>7,737</b>	<b>7,138</b>	<b>118</b>	<b>137</b>	<b>566</b>	<b>144</b>	<b>8420</b>	<b>7,419</b>
Capital Expenditure	476	343	0	0	0	0	476	343
Depreciation	201	185	19	19	43	43	263	247

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.

## 30. EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

(₹ In lakhs)

Particulars	2011-12(₹)	2010-11 (₹)
FOB Value of Exports	2154.78	2397.75
For Goods Purchase	24227.87	24239.65
For Capital Goods Purchase	109.11	78.54
Traveling Expenses	1.80	2.23

## 31. CIF Value of Imports

(₹ In lakhs)

Particulars	2011-12(₹)	2010-11 (₹)
CIF Value of Imported Raw Materials	24237.97	24247.99
CIF Value of Imported Capital Goods	109.11	78.54



**E-COMMUNICATION REGISTRATION FORM**

To

Link Intime India Private Limited  
211, Sudarshan Complex  
Nr. Mithakhali under Bridge,  
Navrangpura,  
Ahmedabad – 380 009.  
Gujarat

Dear Sir/Madam,

**RE: Green Initiative in Corporate Governanc**

I agree to receive all shareholder communication from the Company in electronic mode.

Please register my e-mail id in your records for sending shareholder communication through e-mail.

Folio No. :

DP ID :

Client ID :

PAN :

Name of 1<sup>st</sup> Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID :

Date:

Signature of the first holder

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID.
- 2) Shareholders are requested to keep Company informed as and when there is any change in the e-mail address. Unless the email id / address given above is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned email ID.



**VIMAL OIL & FOODS LIMITED**

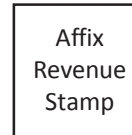
**Regd. Office:** - 4<sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar Highway, Ahmedabad – 380 054.

DP ID
Client ID

**PROXY FORM**

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 20<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2012 the Regd. Office of the Company and at any adjournment thereof.



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature

**NOTE :**

1. The Proxy Form signed across revenue stamp should reach at the Company's Registered Office at 4<sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar 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 LIMITED**

**Regd. Office:** - 4<sup>th</sup> Floor, Heritage, Near The Grand Bhagwati, Sarkhej - Gandhinagar 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 20<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2012 at 11.30 A.M. at the Registered office of the Company.

FOLIO NO	NO OF SHARES
DP ID	Client ID

Name of the Shareholder (In Block Letters) \_\_\_\_\_

Signature of Shareholder \_\_\_\_\_

Name of the proxy (In Block Letters) \_\_\_\_\_

Signature of the Proxy \_\_\_\_\_

**NOTE:**

- (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.

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ISO-9001:2008 Company

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**Regd. Office:** 4th Floor, Heritage, Nr. the Grand Bhagwati, Sarkhej-Gandhinagar Highway, Ahmedabad - 380 054  
**Ph. No.:** 079-26841851 / 52 / 53 / 54 **Fax.:** 079-26841850 **Website:** [www.vimaloil.com](http://www.vimaloil.com)