



**1. Company's Philosophy on Corporate Governance:**

The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers, government, lenders and the community at large. It aims to increase and sustain corporate value through growth and innovation.

The Company's core value includes business ethics, Customer focus, professional pride, mutual respect, speed and innovation, excellence in manufacturing and total quantity. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time.

The policies and actions of the Company are in terms of applicable guidelines on Corporate Governance with endeavor to enhance shareholders' value.

**2. Board of Directors :**

> **Composition, category of Directors and their other Directorships and Committee Memberships:**

The present Board of the Company comprises Four Members – 1 Executive Director and 3 Non-Executive and independent Directors. The composition of Board of Directors, the number of other directorships or board committees of which he is a Member / Chairman is as under:

Name of Director	Category	Designation	Other Directorships/ Board Committees (Numbers)	
			Directorships	Board Committees
Shri Jayesh C. Patel	Promoter & Executive Director	Chairman & Managing Director	4	NIL
Shri Mahendrabhai V. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Mukeshbhai N. Patel	Independent & Non-Executive Director	Director	NIL	NIL
Shri Harnarayan J. Patel	Independent & Non-Executive Director	Director	1	NIL

- Directorships in other companies mentioned above exclude directorships in private limited companies.
- While calculating the number of Membership / Chairmanship in committees of other Companies, Membership / Chairmanship of only Audit Committee and shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the Listing Agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.
- None of the Directors are related to each other.

**Board Meetings:**

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

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

All the meetings of Board of the Company are scheduled well in advance and the Board meets at least once a quarter to review the quarterly performance and the financial results. Agenda of the meeting was prepared and all necessary papers were circulated to Members of the Board in advance. All Members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the Agenda for discussions.

> **Attendance of Directors at the Board Meeting & Last Annual General Meeting:**

Name of Director	Number of Meetings held during his tenure	Number of Meetings Attended	% Of Total Meetings Attended	AGM Attendance
Shri Jayesh C. Patel	17	17	100%	Yes
Shri Mahendra V. Patel	17	17	100%	Yes
Shri Mukesh N. Patel	17	17	100%	No
Shri Harnarayan J. Patel	17	17	100%	No



**3. Audit Committee:**

**i. Terms of reference**

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

**ii. Composition:**

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

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

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

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

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

**4. Remuneration Committee:**

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

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

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

**Meeting and the Attendance during the year 2009-10:**

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

**Remuneration Policy:**

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

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

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

**5. Shareholders'/ Investors' Grievance Committee:**

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

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



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

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

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

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

**6. Details of General Meetings:**

**(I) Annual General Meeting**

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

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

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

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

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

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

**(III) Postal Ballot:**

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

**7. Disclosures:**

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

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

- b. Code of Conduct: The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the website of the Company [www.vimaloil.com](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, on any matter related to capital markets, during the last three years: **NIL**



## 8. Means of Communication:

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

## 9. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

## 10. General Shareholder Information:

### I. Annual General Meeting

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

### II. Financial Calendar

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

### III. Book Closure Date

: From 21<sup>st</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive)

### IV. Registered Office

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

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

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

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

The unclaimed Dividend upto the Company's financial year ended 31<sup>st</sup> March 2002 has been transferred to the IEPF Fund of Central Government pursuant to sub-section 5 of Section 205A of the Companies Act, 1956.

### VII. Dividend Announcement :

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

#### Dividend Payment Date :

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



## VIII. Listing of Equity Shares on Stock Exchange:

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

## IX. Location of the Depositories:

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

## X. Stock Code :

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

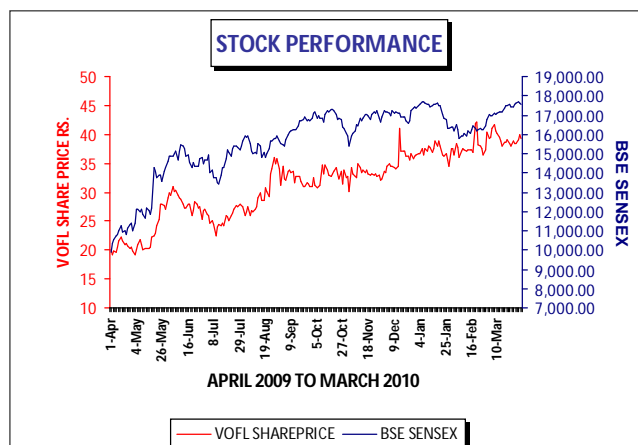
## XI. Stock Market Data :

### Stock Market Price Data for the year 2009-2010:

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

## XII. Stock Performance:

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





### XIII. Registrar and Share Transfer Agent

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

**M/s Link Intime India Private Limited** have also been appointed as common agency for share registry work in terms of both physical and electronic vide SEBI circular no. D&CC/FITTC/CIR-15/2002 Dated 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**  
211, Sudarshan Complex, Nr. Mithakhali Under Bridge,  
Navrangpura, Ahmedabad – 380 009.  
Phone No. 2646 5179  
E-mail: [ahmedabad@linkintime.com](mailto:ahmedabad@linkintime.com)

### 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 Securities and Exchange Board of India (SEBI).

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

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

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

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

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

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

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

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



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

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

**XX. Plant Locations :**

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

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

**M/s Link Intime India Private Limited**

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

**Phone No. 079-2646 5179**

**E-mail: ahmedabad@linkintime.com**

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

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

4th Floor, Heritage,  
Nr. The Grand Bhagwati,  
S. G. Highway,  
Ahmedabad - 380 054.  
Phone No. (079) 26841851 / 52 / 53 / 54  
Fax No. (079) 26841850

**E-mail Address: [secretarial@vimalgroup.com](mailto:secretarial@vimalgroup.com)**  
**[sec.vimal@yahoo.co.in](mailto:sec.vimal@yahoo.co.in)**