ANNEXURE -B TO THE REPORT OF THE DIRECTORS REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a system by which a corporate entity is directed and controlled in a given economic, political and social environment. It also entails the interplay between different stakeholders of a corporation, viz., Board of Directors, Equity holders, Employees, Customers and the Government. It deals with how a company fulfils its obligations to investors and other stakeholders. It is about creating shareholder wealth while ensuring a fair play to all other stakeholders and society at large.

The Company believes that proper corporate governance facilitates effective management and control of business.

1. BOARD OF DIRECTORS:

Composition and category of Board of Directors

The Board of Directors of the company comprises of Non-Executive and Independent Director. In all there are three Directors, Two Non-Executive and One Independent Director.

Name of the Director	Designation	Category
Mr. V.P. Chokhani	Chairman	Non-Executive Director
Mrs.Sneh Chokhani	Director	Non-Executive Director
Mrs.Rekha Sutwala	Director	Independent Director

During the financial year 2010-2011 Six (6) Board Meetings were held on 30th April 2010, 4th May 2010, 30th July 2010, 27th August 2010, 29th October 2010 and 28th January 2011, The Annual General Meeting was held on 30th September 2010.

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 01.04.2010 to 31.03.2011 and the last AGM held on 30th September, 2010 are given below.

Name of the Director	Date of Appointment/ Re-appoinment	Attendance Particulars		ppointment/		. Member/Cha	Directorship and Committee airmanships (other than Vitan al Stores & Industries Limited)	
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships		
Mr.V.P. Chokhani	02.06.1987	6	Yes	9	-	-		
Mrs. Sneh Chokhani		6	Yes	NIL	-	-		
Mrs.Rekha Sutwala		6 .	Yes	1	-	÷		

1. BOARD COMMITTEES:-

A. Audit Committee:

The Audit Committee comprise of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mrs. REKHA SUTWALA	Chairperson	Independent Director
Mr. V.P. CHOKHANI	Member	Non-executive Director
Mrs. SNEH CHOKHANI	Member	Non-Executive Director

The terms of reference of the Audit Committee are as per the guidelines set out in the listing Agreement with the stock exchange and these also conform to the provisions of Section 292A of the Companies Act, 1956.

Meeting and Attendance of the Committee:-

During the financial year four Audit Committee meetings were held on 04.05.2010, 30.07.2010, 29.10.2010 and 31.01.2011

The Attendance of Directors at the Audit Committee Meetings held during the year 2010-2011 is given below:

Name of the	Attendance Particulars			
Director	Meeting Held	Meetings Attended		
Mrs.Rekha Sutwala	4	4		
Mr.V.P.Chokhani	4	4		
Mrs. Sneh Chokhani	4	4		

B. Shareholders / Investors Grievance and Share Transfer Committee:

Composition:-

The Shareholders / Investors Grievance and Share Transfer Committee Comprises of:

Name of Director	Status in Committee	Nature of Directorship
Mrs. REKHA SUTWALA	Chairperson	Independent Director
Mr. V.P. CHOKHANI		
MI. V.P. CHOKHANI	Member	Non-executive Director

The terms of reference of this committee are as under:-

The Shareholders/ investor grievance and share transfer committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, non-receipt of annual report and to ensure expeditious share transfers.

Meeting and Attendance of the Committee:-

The Committee overseas the performances of share transfer and recommends measures to improve the shareholders/Investors service. The said Committee met 10 times during the year 2010-2011

Compliance Officer: Mr.V.P. Chokhani.

Shareholders queries received and replied in 2010-2011

During the Financial year 2010-2011, no complaints were received from shareholders. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2011.

In case of any investor complaint shareholders are requested to address the same to the company.

4. GENERAL BODY MEETINGS:

The Particulars of Annual General Meetings held during the last three years are as under.-

YEAR	DATE AND TIME	VENUE	
2007-2008	23.09.2008 at 1000 a.m.	16. Whites Road, Vth Floor, Royapettah, Chennai-600014	
2008-2009	18.11.2009 at 10.00 a.m.	16. Whites Road, Vth Floor, Royapettah, Chennai-600014	
2009-2010	30.09.2010 at 10.00 a.m.	16. Whites Road, Vth Floor, Royapettah, Chennai-600014	

Special Resolution Passed in the Past Three AGM's:-

2009-2010:- No special resolutions were passed in this annual general meeting.

2008-2009:- No special resolutions were passed in this annual general meeting.

2007-2008:- No special resolutions were passed in this annual general meeting.

II) Postal Ballots:

No resolutions were passed through Postal Ballot during the financial year under review.

5. Disclosures:

Related Party Transactions: The company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions are given in the Notes to the Accounts.

Disclosure on accounting treatment: No differential treatment from the Accounting standards was followed in the preparation of the financial statements.

The Company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.

The company has complied with all the mandatory requirements of Clause 49 of the listing agreement and the extent of compliance of the Non-mandatory requirements is given in the end of this Report.

No money has been raised through Public/ Right / Preferential issue during the year

6. Management Discussion and Analysis Report:

In view of the limited activities there is very little to report on the Management discussion and analysis for the year 2010-2011. The board devoted its full time and attention in development of consumer base during the year.

General Shareholders Information:

i) Date of Annual General meeting

30th September 2011

Time 10.00 a.m.

Venue

16, Whites Road, Vth Floor, Royapettah, Chennai-600014

Financial Calendar Year

(ii

01.04.2010 to 31.03.2011

iii) Important dates of announcements of company activities:

Results for the quarter ending June 30, 2011	Last Week of July 2011	
Results for tile quarter ending September 30, 2011	Last Week of October 2011	
Results for the quarter ending December 30, 2012	Last Week of January 2012	
Results for the quarter ending March 31, 2012	Audited Result before last week of May 2012	
Annual General Meeting	By 3rd/ 4th week of September 2011.	

(iii) Book-Closure Date

24th September 2011 to 30th September 2011 (Both

days inclusive).

Listing on the Stock Exchanges: The Equity Shares of the Company are listed only in the Madras Stock Exchange. The company confirms that it has paid annual listing fees to the Madras Stock Exchanges for the year 2011-2012.

v) Shareholding Pattern as on 31.03.2011:

Category	No. of shares	Percentage
Promoter group	952565	21.10
Public - Bodies Corporate	1827092	40.47
Public - Individuaals	1735408	38.43
Total	4515065	100.00

vi) Distribution of Shareholding as on 31.03.2011.

Share Holdings of Nominal Value	No. of shareholders	% total	Shareholding in Rs.	Percentage
1 -5000	335	79.76	13,34,000	2.95
5,001 - 10,000	55	13.09	4,92,000	1.09
10,001 - 20,000	3	0.71	47,000	0.10
20,001 - 30,000	1	0.24	29,000	0.06
30,001 - 40,000	1	0.24	33,000	0.07
40,001 - 50,000	1	0.24	50,000	0.11
50,001 - 1,00,000	1.	0.24	78,000	0.17
1,00,000 & above	23	5,48	4,30,87,650	95.43
Total	420	100.00	4,51,50,650	100.00

(xii) Address for Correspondence:

Vitan Department Stores and Industries Limited No. 21, Spur Tank Road, Chetpet, Chenai-600 031.

(xv) E-mail ID of Investor Grievance redressal Cell: rathaiahg55@gmail.com

Place:Chennai

Date: 03.09.2011

By Order of the Board sd/- sd/-

V.P. Chokani Hemaram Mahaveer Directors