

## ANNEXURE –A 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 Directors. In all there are four Directors, two Non-Executive and two Independent Directors.

Name of the Director	Designation	Category
Mr. V.P. Chokhani	Chairman	Non-Executive Director
Mr. Hemaram Mahaveer	Director	Non-Executive Director
Mr Anandan Ranganathan	Director	Independent Director
Mr G Raghavan	Director	Independent Director

During the financial year 2010-2011 Six (6) Board Meetings were held on 30th April 2011, 4th May 2011, 30<sup>th</sup> July 2011, 27<sup>th</sup> August 2011, 29<sup>th</sup> October 2011 and 28th January 2012. The Annual General Meeting was held on 30<sup>th</sup> September, 2011.

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 01.04.2011 to 31.03.2012 and the last AGM held on 30<sup>th</sup> September, 2011 are given below.

Name of the Director	Date of Appointment/ Re-appointment	Attendance Particulars		Number of Directorship* and Committee Member/Chairmanships** (other than Vitan Departmental Stores & Industries Limited) as on 31 <sup>st</sup> March 2012		
		Board Meeting	Last AGM	Other Directorships	Committee Members	Committee Chairmanships
Mr.V.P. Chokhani	02.06.1987	6	Yes	3	-	-
Mr. Hemaram Mahaveer	02.09.2011	6	Yes	1	-	-
Mr Anandan Ranganathan	02.09.2011	6	Yes	1	-	-
Mr G Raghavan	06.09.2012	nil	No	1	-	-

\*Includes directorship in other public companies only

\*\*Includes Audit Committee and Shareholders/Investors Grievance and Share Transfer Committee

## 2. BOARD COMMITTEES:-

### A. Audit Committee:

The Audit Committee comprise of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. Anandan Ranganathan	Chairman	Independent Director
Mr. G Raghavan	Member	Independent Director
Mr Hemaram Mahaveer	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 04.05.2011, 30.07.2011, 29.10.2011 and 28.01.2012.

The Attendance of Directors at the Audit Committee Meetings held during the year 2011-2012 is given below:

Name of the Director	Attendance Particulars	
	Meeting Held	Meetings Attended
Mr Anandan Ranganathan	4	4
Mr G Raghavan	-	-
Mr Hemaram Mahaveer	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
Mr Hemaram Mahaveer	Chairman	Non-executive Director
Mr V.P. Chokhani	Member	Non-executive Director
Mr Anandan Ranganathan	Member	Independent 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 oversees the performance of share transfers and recommends measures to improve the shareholders/investors service. The said Committee met 3 times during the year 2011-2012.

Shareholders queries received and replied in 2011-2012:

During the Financial year 2011-2012, 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 2012.

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

### 3. GENERAL BODY MEETINGS:

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

YEAR	DATE AND TIME	VENUE
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
2010-11	30.09.2011 at 10.00 a.m.	No.21, Spurtank Road, Chetpet, Chennai 600031

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

200-2011:- No special resolutions were passed in this annual general meeting.  
2009-2010:- No special resolutions were passed in this annual general meeting.  
2008-2009:- 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 2011-2012. 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 : 29<sup>th</sup> September 2012  
Time 10.00 a.m.  
Venue : No.21, Spurtank Road, Chetpet,  
Chennai-600031
- ii) Financial Calendar Year : 01.04.2011 to 31.03.2012

### iii) Important dates of announcements of company activities:

Results for the quarter ending June 30, 2012	Last Week of July 2012
Results for tile quarter ending September 30, 2012	Last Week of October 2012
Results for the quarter ending December 30, 2012	Last Week of January 2013
Results for the quarter ending March 31, 2013	Audited Result before last week of May 2013
Annual General Meeting	By 3rd/ 4th week of September 2013.

- (iii) Book-Closure Date : 27<sup>th</sup> September 2012 to 29<sup>th</sup> September 2012 (Both days inclusive).
- (iv) Listing on the Stock Exchanges:

The Equity Shares of the Company are listed only on the Madras Stock Exchange. The company confirms that it has paid annual listing fees to the Madras Stock Exchanges for the year 2012-2013.

### v) Shareholding Pattern as on 31.03.2012:

Category	No. of shares	Percentage of shareholding
Promoter group	9,52,565	21.1
Public - Bodies Corporate	18,27,092	40.47
Public - Individuals	17,35,408	38.43
Total	45,15,065	100.00

vi) Distribution of Shareholding as on 31.03.2012.

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
<b>Total</b>	<b>420</b>	<b>100.00</b>	<b>4,51,50,650</b>	<b>100.00</b>

(vi) Address for Correspondence:

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

(vii) E-mail ID of Investor Grievance redressal Cell: [vitandepartmental@gmail.com](mailto:vitandepartmental@gmail.com)

Place: Chennai  
Date: 06.09.2012

sd/-  
V.P.Chokhani

sd/-  
Anandan Ranganathan

DIRECTORS