



VIMAL OIL & FOODS LIMITED

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

To,
The Members

NOTICE OF POSTAL BALLOT [Pursuant to section 192A of the Companies Act, 1956]

Notice is hereby given to the Members of VIMAL OIL & FOODS LIMITED to transact the following special business as set out below through Postal Ballot as per the provisions under section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or reenactment thereof for the time being in force).

1. PREFERENTIAL ALLOTMENT OF EQUITY SHARES:

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 81, 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the existing Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulations") and other Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable laws, as may be required, and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which expression shall include any Committee which the Board may constitute to exercise its powers including powers conferred by this Resolution), the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to offer, issue and allot, on preferential basis upto 36,00,000 (Thirty Six Lacs only) Equity Shares of face value of ₹ 10/- each at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulations") as amended, to the persons mentioned below on a preferential basis:

Name of Applicant (Proposed Allottee)	Category	Maximum No. of Shares proposed to be allotted
Jayesh C. Patel	Promoter/ Promoter Group	11,00,000
Chandubhai I. Patel	Promoter/ Promoter Group	11,00,000
Pradip C. Patel	Promoter/ Promoter Group	10,00,000
Gaurav Hasmukh Gadhecha	Non-Promoters	1,25,000
Pushpa Hasmukh Gadhecha	Non-Promoters	1,25,000
Manubhai M. Patel	Non-Promoters	1,50,000
Total		36,00,000

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER THAT the equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER THAT the relevant date, as stipulated in the Regulation 73(4) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for determination of the Issue Price of equity shares, shall be thirty (30) days prior to the date on which the result of Postal Ballot shall be declared or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date;

RESOLVED FURTHER THAT the aforesaid equity shares shall rank pari passu in all respects with the existing equity shares of the Company including Dividend;

RESOLVED FURTHER THAT the equity shares allotted on preferential basis shall be locked in for such period as prescribed in Regulation 78 of SEBI (ICDR) Regulations;

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting equity shares of the Company as aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing and allotting of the equity shares of the Company, as it may, in its absolute discretion, deem fit and proper;

RESOLVED FURTHER THAT the Board be and is hereby authorized, to list the equity shares on all the Stock Exchanges where the shares of the Company are listed and also to authorize, at its discretion, any other member of the Board or Committee, to do all the necessary, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this Resolution."

By order of the Board of Directors
For, Vimal Oil & Foods Limited

Place: Ahmedabad
Date: 13th November, 2013

Jayesh C. Patel
Chairman & Managing Director

Notes:

1. The relative Explanatory Statement is annexed hereto.
2. The Board of Directors has appointed Mr. Dipak Rachchha, Practising Company Secretary as scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer before the close of working hours (1700 hours) or before Monday, 30th December, 2013 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. The Scrutinizer will submit his report to the Chairman after completion of scrutiny and the results of the postal ballot will be announced on Tuesday, 31st December 2013, at the Registered Office of the Company.
4. The Special Resolution mentioned above shall be declared as passed, if, the number of votes cast in its favour exceeds the votes, if any, against the said Resolutions i.e. if the votes cast in its favour amounts to three fourth or more of the total votes casted.
5. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto Monday 30th December, 2013.
6. The voting on the Resolution shall be through postal ballot and not in electronic mode.

EXPLANATORY STATEMENT TO SPECIAL BUSINESS

Explanatory Statement and Disclosure as required to be made in the terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

ITEM NO. 1

Disclosures as required under Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issue are furnished hereunder:

A. OBJECTS OF THE ISSUE:

In order to meet with its increasing long term working capital requirements, for redemption of the Non-Cumulative Redeemable Preference Shares and for investment in other Bodies Corporate and/or Group Companies and for General Corporate purposes, it is proposed to raise funds by issue of Equity Shares on preferential basis. The Board of Directors of the Company, at its meeting held on Wednesday, 13th November, 2013 has decided to issue and allot upto 36,00,000 Equity Shares of face value of ₹ 10/- each at price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of the SEBI (ICDR) Regulations as amended.

As may be recalled, the Members in their General Meeting held on 23rd January, 2006, passed a Special Resolution to issue 6% Non-Cumulative Redeemable Preference Shares not exceeding ₹ 5 Crores redeemable not earlier than 10 years but not later than 2 years from the date of their issue. The Board of Directors has allotted 6% Non-Cumulative Redeemable Preference Shares in the meeting held on 30th January 2008 to the tune of ₹ 5 Crores to the respective allottees.

Subsequently, the Members in their General Meeting held on 21st August, 2008 passed a Special Resolution to issue 8% Non – Cumulative Redeemable Preference Shares not exceeding ₹ 10 Crores redeemable not earlier than 10 years but not later than 20 years from the date of their issue. The Board of Directors had in its meeting held on 30th August, 2008 allotted 8% Non – Cumulative Redeemable Preference Shares to the tune of ₹ 10 Crores to the respective allottees.

All the holders of these Preference Shares have consented in writing for earlier redemption of their Preference Shares at par. This is in conformity with the Company's Articles of Association read with Section 106 of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force).

B. PROPOSAL OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONNEL TO SUBSCRIBE TO THE OFFER:

None of the Promoter / Director / Persons in Promoter/ Promoter Group / Key Management Persons are subscribing to the offer except the following Promoters, who have conveyed to the Company in writing to subscribe to the equity shares of the Company on preferential basis as proposed under Special Resolution at Item No. 1 above.

Name of Applicant (Proposed Allottee)	Category	Maximum No. of Equity Shares proposed to be allotted
Jayesh C. Patel	Promoter/ Promoter Group	11,00,000
Chandubhai I. Patel	Promoter/ Promoter Group	11,00,000
Pradip C. Patel	Promoter/ Promoter Group	10,00,000

C. NO CHANGE IN CONTROL:

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

D. SHAREHOLDING PATTERN BEFORE AND AFTER THE PROPOSED PREFERENTIAL ISSUE :

Category	Pre-Issue Equity Holdings		Preferential Allotment of equity shares	Post-Issue Equity Holdings *	
	No. of Shares	% of Share Holding		No. of Shares	% of Share Holding
1) Promoter Holdings					
a. Indian Promoters	7912500	69.29	3200000	11112500	73.98
b. Foreign Promoters	0	0.00	0	0	0.00
Sub-total	7912500	69.29	3200000	11112500	73.98
2) Non-Promoters Holding					
a. Resident Indians (Individuals)	3216704	28.17	400000	3616704	24.08
b. Bodies Corporate	268159	2.35	0	268159	1.79
c. NRI/FI/FII/Foreign Corporate Bodies	20361	0.18	0	20361	0.14
d. Others (Clearing Members)	2276	0.02	0	2276	0.02
Sub-Total	3507500	30.71	400000	3907500	26.02
Total	11420000	100.00	3600000	15020000	100.00

* On assumption that entire 36,00,000 equity shares may be allotted

E. LOCK-IN PERIOD:

The equity shares allotted on preferential basis shall be locked in, for such period as prescribed in Regulation 78 of SEBI (ICDR) Regulations.

The entire pre preferential holding of the allottees, if any shall be locked in from the Relevant Date upto a period of six months from the date of trading approval granted by the Stock Exchanges.

F. TRANSFERRABILITY PERIOD:

The equity shares allotted on preferential basis shall be non transferrable from the date of allotment till trading approval is granted by all the recognized stock as prescribed in Regulation 79(2) of SEBI (ICDR) Regulations.

G. PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED:

In accordance with Regulation 74 of the SEBI (ICDR) Regulations, the Company shall complete the allotment of Equity Shares in dematerialized form, within 15 (Fifteen) days from the date of passing of the Special Resolution i.e. from the date of declaration of

the result of postal ballot or where the allotment on preferential basis is pending for any approval or order/permission by any regulatory authority including SEBI/Stock Exchanges or the Central Government, etc, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be.

H. CERTIFICATE FROM AUDITORS:

The Statutory Auditors' Certificate, as mandated under Regulation 73(2) of the SEBI (ICDR) Regulations, certifying that the proposed preferential issue is being made in accordance with the requirement of SEBI (ICDR) Regulations and the same will be available for inspection at the Registered Office of the Company during normal business hours on any working day except Public Holidays upto last date of receiving Postal Ballot Forms i.e. 30th December, 2013.

I. IDENTITY OF PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THE ALLOTTEES:

The proposed allottees of 36,00,000 equity shares issued pursuant to the Special Resolution at Item No. 1 of the Notice and the percentage of the expanded capital to be held by them after the proposed allotment of the said equity shares to them are as under:

Identity of Proposed allottees	Pre-Holding		No. of equity shares proposed to be issued	Post- Holding (*)	
	Shares	%		Shares	%
Promoters					
Jayesh C. Patel	2096300	18.36	1100000	3196300	21.28
Chandubhai I. Patel	1785100	15.63	1100000	2885100	19.21
Pradip C. Patel	1770300	15.50	1000000	2770300	18.44
Non - Promoters					
Gaurav Hasmukh Gadhecha	0	0.00	125000	125000	0.83
Pushpa Hasmukh Gadhecha	0	0.00	125000	125000	0.83
Manubhai M. Patel	74385	0.65	150000	224385	1.49
Total	5726085	50.14	3600000	9326085	62.09

* On assumption that entire 36,00,000 Equity Shares may be allotted.

In terms of section 81(1) of the Companies Act, 1956 in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholding in the Company. Pursuant to section 81(1A) of the Companies Act, 1956, a Public Company may offer its shares in any manner whatsoever to persons other than those mentioned in section 81(1), if a special resolution to that effect is passed.

Hence, the consent of the shareholders by way of special resolution is being sought pursuant to the provisions of section 81(1A) and all other applicable provisions of the Companies Act, 1956, such of the provisions of the Companies Act, 2013 as are in force and applicable and in terms of the provisions of the SEBI (ICDR) Regulations and the listing agreement executed by the Company with the Stock Exchange where the Company's Shares are listed.

J. PRICING:

The equity shares will be issued at a price being not lower than the minimum price calculated in accordance with Regulations 76 of the SEBI (ICDR) Regulations as amended for Preferential Issue.

K. RELEVANT DATE:

"Relevant Date" will be 30 days prior to the date on which the result of Postal Ballot shall be declared or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.

The shareholders are, therefore, requested to accord their approval authorising the Board for the proposed Preferential Issue set out in the Special Resolution at Item No. 1 of the notice.

None of the Directors of the Company except Mr. Jayesh C. Patel, who is also allottee in this resolution, is concerned or interested in the said Resolution

By order of the Board of Directors
For, Vimal Oil & Foods Limited

Jayesh C. Patel
(Chairman & Managing Director)

Place: Ahmedabad

Date: 13th November, 2013

Registered Office:

4th Floor, Heritage,
Near The Grand Bhagwati,

Sarkhej-Gandhinagar, Ahmedabad – 380 054