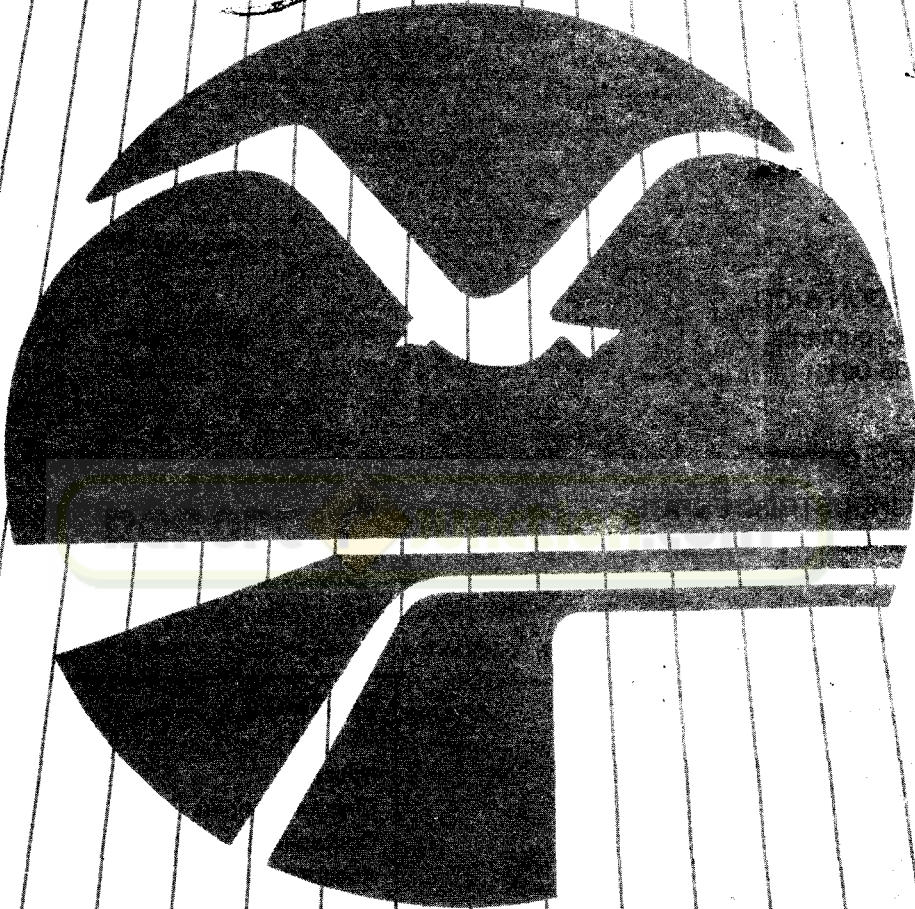


VCOL LIMITED



**SEVENTEENTH ANNUAL REPORT**  
**2002-2003**

## VCCL LIMITED

### BOARD OF DIRECTORS

BAL KRISHNA SHRIYA, *Chairman*

K C AGARWAL, *Director*

R K SRIVASTAVA, *Director*

RAJESH AGARWAL, *Director*

### COMPANY SECRETARY

S K BANSAL

### AUDITORS

ONKAR TANDON & CO.,

Chartered Accountants,

KANPUR-208 001

### REGISTERED OFFICE

C-3, PANKI INDUSTRIAL ESTATE,  
KANPUR-208 022

### ADMINISTRATIVE & COMMERCIAL OFFICE

714, RAHEJA CHAMBERS,  
NARIMAN POINT,  
MUMBAI-400 021

### WORKS

SALON,  
DISTT. RAE BARELI - 229 127 (U. P.)

### REGISTRAR & SHARE TRANSFER AGENT

ALANKIT ASSIGNMENTS LIMITED  
205-208, ANARKALI MARKET  
JHANDEWALAN EXTENSION  
NEW DELHI-110 055

### CONTENTS

	Page No.(s)
Notice	1-3
Directors' Report	4-5
Corporate Governance	6-13
Auditors' Report	14-15
Balance Sheet	16
Profit and Loss Account	17
Schedules forming part of the Balance Sheet and Profit and Loss Account	18-24
Balance Sheet Abstract and Company's General Business Profile	25
Cash Flow Statement	26
Proxy Form and Attendance Slip	

**VCCL LIMITED****NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of VCCL Limited will be held on Tuesday, the 30th September, 2003 at 2.00 P.M. at its Registered Office at C-3, Panki Industrial Estate, Kanpur-208 022 (U.P.) to transact the following business(es) :-

**ORDINARY BUSINESS(ES)**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. R K Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and, 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 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Onkar Tandon & Co., Chartered Accountants, Kanpur, the retiring Auditors, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors."

**SPECIAL BUSINESS(ES)**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Rajesh Agarwal, who was appointed as an Additional Director and holds such office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member, proposing Mr. Rajesh Agarwal's candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT in furtherance to the earlier resolution passed by the Members of the Company at its 14th Annual General Meeting held on 29th August, 2000, regarding delisting of Company's Equity Shares from Ahmedabad and Delhi Stock Exchange(s) and pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force or as may be enacted hereinafter), Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approval(s), permission(s) and sanction(s), as may be necessary for this purpose and subject to such condition(s) and modification(s), as may be prescribed or imposed by any authority while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being in force) to get delisted the Equity shares of the Company from Delhi and Ahmedabad Stock Exchange(s) without giving an exit option to the members of the region where the aforesaid stock exchange(s) are situated."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable, without being required to seek further approval of members and to settle any question, difficulty and/or doubt that may arise in regard to delisting of the Equity Shares and for this

**VCCL LIMITED**

purpose to delegate the authority duly vested in it by virtue hereof to any of the Director(s) or Company Secretary, to do the various acts, deeds and things required to be done in this regard."

By Order of the Board of Directors

Place : Kanpur  
Dated : 30th July, 2003

**S K BANSAL**  
Company Secretary

**NOTE(S) :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A 'PROXY' TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. A BLANK FORM OF PROXY IS ENCLOSED AND, IF INTENDED TO BE USED, SHOULD BE RETURNED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A PROXY SO APPOINTED NEED NOT BE A MEMBER.
2. Information as per Clause 49 of the Listing Agreement regarding appointment / re-appointment of Directors (Item No. 2 & 4) and Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, relating to Special Business(es) (Item No. 4 & 5) are annexed herewith.
3. The Register of Members and the Share Transfer Books will remain closed from Monday, the 22nd September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive).
4. Pursuant to SEBI circular(s) No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR-18/2003 dated 12.02.2003, regarding maintenance of whole Share Registry work at a single point, the Company has appointed **M/s. Alankit Assignments Limited**, 205-208, Anarkali Market, Jhandewalan Extension, New Delhi – 110 055, as its Registrar & Share Transfer Agent for whole share transfer and demat work. Shareholders are requested to write to M/s. Alankit Assignments Limited for any work related to Shares.
5. Members holding shares in physical form are requested to notify changes in their address(es), if any, to M/s. Alankit Assignments Limited, quoting their folio number(s), while those holding in the electronic mode are requested to send the intimation for change of address(es) to their respective Depository participant(s) of Central Depository Services (India) Ltd.
6. Company's Shares are being compulsorily traded in Demat form w.e.f. 2nd January, 2002. Members are requested to send Dematerialisation Request Form (DRF) alongwith Share Certificates/Option letters through Depository Participant(s) of Central Depository Services (India) Limited (CDSL) for Demat of Shares to M/s. Alankit Assignments Limited. The ISIN of the Equity Shares of the Company is 'INE460E01010'.
7. Members seeking any information with regard to Annual Accounts are requested to write to the Company at least one week in advance so as to enable the Company to keep information ready.
8. Members, who wish to nominate a person under Section 109A of the Companies Act, 1956, may furnish required details to M/s. Alankit Assignments Limited, in the prescribed Form 2B, which is available on demand.
9. Members/Proxies should bring the attendance slips duly filled in, for attending the meeting.

**EXPLANATORY STATEMENT U/s 173(2) OF THE COMPANIES ACT, 1956 & INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTOR(S)**

**Item No. 2**

Mr. R K Srivastava, M.A., LL.B., D.LL, aged 64 years, has a vast experience of, about 40 years in various areas of Business Management. He is a Director of the Company since 29th June, 2000.

**VCCL LIMITED**

He is member of "Audit Committee" and the "Sub-Committee of Directors" of the Company.

**Item No. 4**

Board had appointed Mr. Rajesh Agarwal as an Additional Director of the Company on 20.03.2003. Mr. Rajesh Agarwal, aged 45 years, is a qualified Chartered Accountant. He has a vast experience in Finance & Accounts.

He is also a Director in LML Holdings Ltd. and Vertex Enterprises Pvt. Ltd.

He is a Member of "Audit Committee" and "Share Transfer & Shareholders/Investors' Grievance Committee" of the Company.

Company has received a notice in writing from a member proposing the candidature of Mr. Rajesh Agarwal for the office of Director, under Section 257 of the Companies Act, 1956. Resolution contained at Item No. 4 of the accompanying Notice, is commended by the Board for your approval.

None of the Directors of the Company except Mr. Rajesh Agarwal, is in any way, concerned or interested in the passing of the said resolution.

**Item No. 5**

The Equity Shares of the Company are presently listed at Ahmedabad, Delhi, Mumbai, and Uttar Pradesh Stock Exchange(s). Consequent to the recent changes in the Capital Market, the volume of trading in the Company's shares has reduced to negligible level in all Stock Exchange(s). As per new SEBI "Delisting Guidelines" a Company may, voluntarily, get its shares delisted from some of the stock exchanges without giving exit opportunity to the shareholders of the regions where such stock exchanges are situated, provided the shares of the Company continue to be listed in a stock exchange having nation wide trading terminals.

Since, no particular benefit is available to the members of the Company by continuing the listing of shares of the Company on the stock exchanges except Mumbai Stock Exchange which is having nationwide trading terminals and the investors have access to trade and deal in the Company's shares across the country, hence the Board of Directors, on the recommendation of "Share Transfer & Shareholders' / Investors Grievance Committee" proposes the voluntary delisting of Shares of the Company from Ahmedabad and Delhi Stock Exchanges. The proposed voluntary delisting of the Company's Equity shares from Ahmedabad and Delhi Stock Exchange(s), will, apart from savings, resulting from the non-payment of annual listing fees, also reduce a lot of administrative work. The delisting will not adversely affect any member located in the region where Ahmedabad and Delhi Stock Exchange(s) are situated.

The Company had already passed Resolution at its 14th Annual General Meeting held on 29th August, 2000, for delisting of the shares of the Company from the Ahmedabad & Delhi Stock Exchange(s) and had applied to the said Stock Exchange(s) for delisting of shares. However, in pursuance to new SEBI Delisting Guidelines dated 17th February, 2003, these stock exchanges are asking for fresh resolutions.

Accordingly, in order to avoid any delay in delisting of shares from these Stock Exchanges, the relevant resolution is being placed before you, for your approval by way of special resolution.

None of the Directors of the Company is interested in this resolution.

By Order of the Board of Directors

Place : Kanpur  
Dated : 30th July, 2003

**S K BANSAL**  
Company Secretary



## VCCL LIMITED

### DIRECTORS' REPORT

To  
The Members,

Your Directors present their Seventeenth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2003.

#### Operations

During the year under review, your Company incurred a net loss of Rs. 48.55 lakhs.

#### Management Discussion and Analysis Report

Manufacturing Operations at the Company's plant located at Salon, Rae Bareilly, (U.P.), continued to remain suspended since 1992-94.

Skeleton strength of employees has been maintained to keep vigil for ensuring safety and security of the assets of the Company.

Efforts in looking for an alternative use of the resources of the Company have been pursued from time to time. However no viable option has emerged yet.

In compliance with Listing Agreement with Stock Exchange(s), where the Equity shares of the Company are listed, the Code of Corporate Governance has been implemented during the financial year 2002-03. A separate report providing information/status on the Corporate Governance is enclosed as a part of Annual Report.

#### Chairman of the Board

Mr. B. K. Shriya has been appointed as the non-executive Chairman of the Board w.e.f. 20.03.2003.

#### Directorate

Mr. R K Srivastava retires by rotation and, being eligible, offers himself for re-appointment.

During the period under report Mr. Rajesh Agarwal has been appointed as Additional Director.

#### Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the

Companies Act, 1956, pertaining to Directors' Responsibility Statement, the Directors confirm :

- i) that in the preparation of the annual accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same;
- ii) that they have selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the loss of the Company for the year under report.
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that they have prepared the Annual Accounts on a going concern basis.

#### Auditors and their Report

M/s. Onkar Tandon & Co., Auditors of the Company, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

In respect of the observations made by the Auditors in their report, your Directors wish to state that the respective Notes to the Accounts are self explanatory and do not call for any further comments.

#### Cost Audit

In view of the suspension of own manufacturing operations during the year, no records u/s 209 (1)(d) of the Companies Act, 1956, were required to be maintained. The necessary exemption from the Cost Audit u/s 233B of the Companies Act, 1956, is being obtained.

#### Loans and Advances

The Company does not have any subsidiary and

**VCCL LIMITED**

no loans and advances have been given by the Company to its associates, as required to be disclosed under Clause 32 of the Listing Agreement with Stock Exchanges.

**Personnel**

There is no employee whose particulars are required to be furnished in terms of Section 217(2A) of the Companies Act, 1956 and rules made thereunder.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Since the Company's manufacturing operations continue to remain suspended during the year under review, there was no conservation of energy and technology absorption. Your Company also did not earn and use any foreign exchange.

**Stock Exchange Listings**

The Equity Shares of your Company are listed at the following Stock Exchange(s) :

- The U P Stock Exchange Association Ltd., Kanpur
- The Delhi Stock Exchange Association Ltd., New Delhi

- The Stock Exchange, Mumbai
- The Stock Exchange, Ahmedabad

The Company confirms that it has paid the Annual Listing Fee to all the above Stock Exchanges for the year 2003-2004 except Delhi & Ahmedabad Stock Exchange(s). For Delhi & Ahmedabad Stock Exchanges, Company has applied for delisting of its securities from these stock exchanges. However in order to avoid any further delay, the fresh resolution for this purpose is being placed before you, for your approval.

**Acknowledgement**

Your Directors acknowledge co-operation extended by the Central/State Government Authorities and Shareholders.

For and on behalf of the  
Board of Directors

**K C AGARWAL**  
**RAJESH AGARWAL**  
Directors

Place : Kanpur  
Dated : 30th July, 2003

# VCCL LIMITED

## CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance is given below :

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practices & compliance with laws & regulations leading to effective control & management of Company. Good Corporate Governance leads to long term shareholder value & enhances interest of other stakeholders.

The Company's philosophy on Corporate Governance embraces a frame work & implementation of systems & practices with an emphasis on transparency, accountability & integrity.

### II. BOARD OF DIRECTORS

#### Composition of Board

The Board of Directors of the Company, headed by a Non-Executive Chairman, consisted of following Directors, all being non-executive, as on 31.03.2003.

Name	Status	No. of Directorships and committee Memberships/ Chairmanships, of the other public companies		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. B K Shriya	Non-Independent & Non-Executive Chairman	7	—	—
Mr. K C Agarwal	Independent & Non-Executive	—	—	—
Mr. R K Srivastava	Independent & Non-Executive	—	—	—
Mr. Rajesh Agarwal	Independent & Non-Executive	1	—	—

#### Directors' Attendance at Board/Shareholders' Meeting(s)

5 Board Meetings were held during the financial year 2002-03. These meetings were held on 29th June, 2002, 31st July, 2002, 29th October, 2002, 31st January, 2003 & 20th March, 2003. The attendance record of all the Directors at the Board Meeting and the last AGM between 01.04.2002 to 31.03.2003 was as under :

Name	No. of BoD Meeting(s) attended	Attended last AGM
Mr. B K Shriya	5	Yes
Mr. K C Agarwal	3	No
Mr. R K Srivastava	5	Yes
Mr. Rajesh Agarwal *	1	N.A.

\* Attended the Board Meeting on 20.03.2003 as special invitee and was appointed as Additional Director at the meeting.

#### Directors' Remuneration

The Directors, all being non-executive, have not been paid any remuneration and sitting fee during the year.



**Board Procedure**

As per Corporate Policy, most of the statutory and material informations are placed before the Board with a view to enable it to discharge efficiently its responsibilities in formulating the strategies and policies for the growth of the Company. The Agenda and other relevant papers were circulated ahead of the scheduled dates of the meetings. For specific matters, there exist committees of the Directors to deliberate in detail, analyse situations, firm up views & advise the Board on decision making & follow up actions as may be considered appropriate.

**III. COMMITTEE(S) OF THE BOARD OF DIRECTORS****● Audit Committee**

In compliance with Listing Agreement with Stock Exchanges, the Board of Directors constituted, Audit Committee on 20.03.2003. Composition of the Audit Committee meets all the criteria under the Law. The Committee comprises of following three Directors, all being Non-Executive & Independent.

Name	Category
Mr. K C Agarwal	Chairman
Mr. R K Srivastava	Member
Mr. Rajesh Agarwal	Member

Mr. S K Bansal, Company Secretary is Secretary to the Audit committee.

As the Committee was constituted on 20.03.2003, hence no meeting was held during the year 2002-03.

The terms of reference of Audit Committee mandated by the Board of Directors, which is also in line with the statutory & regulatory requirements, inter alia, are :

- Review the Company's financial reporting process, the financial statements and financial/ risk management policies.
- Review of adequacy of internal control systems.
- Review the adequacy of internal audit function and discussion with internal auditors any significant findings and follow up thereon.
- Review the findings of any internal investigations by the internal auditors into matters of suspected fraud or irregularity or
- Recommending the appointment & removal of external auditors, fixation of audit fee and also approval for payment for and other services.
- Discussion with the management and the external auditors, the audit plan for the financial year and post-audit review of the same.
- Look into the reasons for substantial defaults in the payment to the shareholders and creditors.

**● Committee of Directors for Shares**

"Committee of Directors for Shares" consisting of following Directors, to look into various matters pertaining to share transfer / transmission, issuance of duplicate shares etc., met four times upto 20.03.2003 on 29th June, 2002, 31st July, 2002, 29th October, 2002 & 31st January, 2003. Consequent upon change of name and constitution, the Committee ceased to be in existence w.e.f.