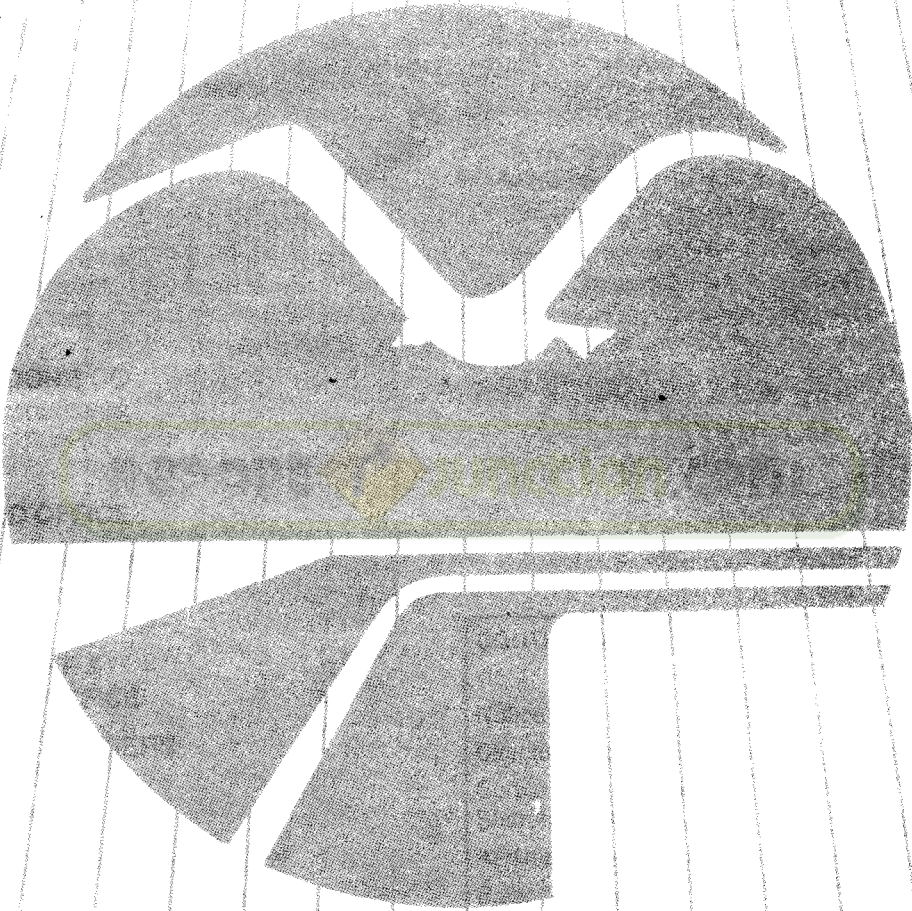


# VCCL LIMITED



**NINETEENTH ANNUAL REPORT  
2004-2005**

**VCCL LIMITED****BOARD OF DIRECTORS**BAL KRISHNA SHRIYA, *Chairman*K C AGARWAL, *Director*R K SRIVASTAVA, *Director*ALOK PRAHLADKA, *Director*SATENDRA SEKSARIA, *Director*ATUL SHARMA, *Director***COMPANY SECRETARY**

S K BANSAL

**AUDITORS**ONKAR TANDON & CO  
*Chartered Accountants,*  
KANPUR**REGISTERED OFFICE**C-3, PANKI INDUSTRIAL ESTATE,  
KANPUR- 208 022**ADMINISTRATIVE &  
COMMERCIAL OFFICE**114, RAHEJA CHAMBERS  
NARIMAN POINT,  
MUMBAI – 400 021**WORKS**SALON,  
DISTT. RAE BARELI – 229127 (U.P.)**REGISTRAR AND SHARE TRANSFER AGENT**ALANKIT ASSIGNMENTS LIMITED  
RTA Division  
2 E/8, FIRST FLOOR  
JHANDEWALAN EXTENSION  
NEW DELHI-110 055**CONTENTS**

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## VCCL LIMITED

### NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of VCCL Limited will be held on Friday, the 30<sup>th</sup> September, 2005 at 3.00 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

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 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. Bal Krishna Shriya, 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

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

"RESOLVED THAT Mr. Atul Sharma, who was appointed as an Additional Director u/s 260 of the Companies Act, 1956, 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. Atul Sharma's candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

Place : Kanpur  
Dated : 30th July, 2005

**R K SRIVASTAVA**  
*Director*

#### 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 Nos. 2 & 4 ) and Explanatory Statements as required under Section 173(2) of the Companies Act, 1956, relating to Special Business (Item No. 4 ) are annexed herewith.
3. The Register of Members and the Share Transfer Books will remain closed from Monday, the 26<sup>th</sup> September, 2005 to Friday, the 30<sup>th</sup> September, 2005 (both days inclusive).
4. Pursuant to SEBI circular(s) No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and 12.02.2003, regarding maintenance of whole Share Registry work at a single point, the Company has appointed M/s Alankit

**VCCL LIMITED**

Assignments Limited, RTA Division, 2 E/8, First Floor, Jhandewalan Extension, New Delhi – 110 055, as its Registrar & Share Transfer Agent for whole share transfer and demat work. Members 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) Limited.
6. Company's Shares are being compulsorily traded in Demat form w.e.f. 2<sup>nd</sup> January, 2002. Members are requested to send Dematerialisation Request Form (DRF) alongwith Share Certificates through their Central Depository Services (India) Limited (CDSL) Depository Participant(s) 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 APPOINTMENT / RE-APPOINTMENT OF DIRECTORS**

**Item No. 2**

Mr. Bal Krishna Shriya, aged 73 years, Graduate, has a vast experience of, about 45 years in Marketing, Investments and Administration. He is a Director of the Company since 10<sup>th</sup> December, 1990.

He is Chairman of the "Share Transfer and Shareholders'/Investors' Grievance Committee" and "the Sub Committee of Directors" of the Company.

He is also a Director in Gold Rock Investments Limited, Gold Rock Metals Limited, Saryu Investment & Trading Ltd., Picanova Investments Pvt. Ltd., Sugata Investments Ltd., Syscom Corporation Ltd., Sarvan Shares Pvt. Ltd., Panki Road Lines Pvt. Ltd., Seattle Online Pvt. Ltd., Splendour Tradeplace Pvt. Ltd. and Smart Chip Syscom Ltd. Mr B. K. Shriya does not hold any shares of the Company.

**Item No. 4**

Board had appointed Mr. Atul Sharma as an Additional Director of the Company on 22.11.2004. Mr. Atul Sharma, a commerce graduate aged 47 years, has a vast experience of 27 years in Accounts and Finance.

He does not hold directorship of any other company. He does not hold any shares of the Company.

Company has received a notice in writing from a member proposing the candidature of Mr. Atul Sharma 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. Atul Sharma, is in any way, concerned or interested in the passing of the said resolution.

By Order of the Board of Directors

Place : Kanpur  
Dated : 30th July, 2005

**R K SRIVASTAVA**  
Director

## VCCL LIMITED

### DIRECTORS' REPORT

To  
The Members

Your Directors present their Nineteenth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2005.

#### Operations

During the year under review, your Company incurred a net loss of Rs. 54.25 lakhs.

#### Management Discussion and Analysis Report

Manufacturing Operations at the Company's plant located at Salon, Rae Bareilly 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 for an alternative use of the resources of the Company have been pursued from time to time. As yet no viable option has emerged.

#### Corporate Governance

Your Company has been practicing the principles of good corporate governance. The Board of Directors support the principles of corporate governance. In addition to the basic governance issues, the Board lays emphasis on transparency, accountability and integrity.

Formal detailed report on Corporate Governance and also Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate governance as stipulated in Clause 49 of the listing agreement(s) with Stock Exchange(s), are enclosed.

#### Directorate

Mr. Bal Krishna Shriya retires by rotation and, being eligible, offers himself for re-appointment.

During the year under review, Mr. Atul Sharma joined the Board as Additional Director on 22.11.2004. A notice has been received u/s 257 of the Companies Act, 1956, for the appointment of Mr. Atul Sharma as Director. Board welcomes the new 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 review;
- 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 under section 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 no loans and advances have been made by the



**VCCL LIMITED**

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 Exchanges :

- The Stock Exchange, Mumbai
- The U P Stock Exchange Association Ltd., Kanpur

The Company confirms that it has paid the Annual Listing Fee to all the above Stock Exchanges for the year 2005-2006.

**Acknowledgement**

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

For and on behalf of the  
Board of Directors

**R K SRIVASTAVA**  
**ALOK PRAHLADKA**  
*Directors*

Place : Kanpur  
Dated : 30th July, 2005



# 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 31.03.2005, categorised as indicated under :-

Name	Status	No. of Directorships and Committee Memberships/ Chairmanships of other Public Ltd. Companies		
		Directorships	Committee Memberships	Committee Chairmanships
Mr Bal Krishna Shriya	Non-Independent & Non-Executive, Chairman	6	—	—
Mr K C Agarwal	Independent & Non-Executive	—	—	—
Mr R K Srivastava	Independent & Non-Executive	—	—	—
Mr Alok Prahladka	Independent & Non-Executive	—	—	—
Mr Satendra Seksaria	Independent & Non-Executive	—	—	—
Mr. Atul Sharma	Independent & Non-Executive	—	—	—

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

6 Board Meetings were held during the financial year 2004-05. These meetings were held on 26<sup>th</sup> April, 2004, 25<sup>th</sup> June, 2004, 29<sup>th</sup> July, 2004, 28<sup>th</sup> October, 2004, 22<sup>nd</sup> November, 2004 and 31<sup>st</sup> January, 2005. The attendance record of all the Directors at the Board Meeting and the last AGM between 01.04 2004 to 31.03.2005 was as under :

Name	No. of BoD Meetings attended	Attended last AGM**
Mr Bal Krishna Shriya	6	No
Mr K C Agarwal	4	Yes
Mr R K Srivastava	6	Yes
Mr Alok Prahladka	6	Yes
Mr. Satendra Seksaria	6	Yes
Mr. Atul Sharma *	NIL	N.A.

\* Appointed as Additional Director on 22.11.2004.

\*\* Last AGM was held on 30th September 2004.

**VCCL LIMITED****Directors' Remuneration**

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

**Board Procedure**

As per Corporate Policy, most of the statutory and material information 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. Opinions and advise of the Independent & Non-Executive Directors are considered valuable guidance. 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. COMMITTEES 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. It met four times during the financial year 2004-05, on 25<sup>th</sup> June, 2004, 29<sup>th</sup> July, 2004, 28<sup>th</sup> October, 2004 and 31<sup>st</sup> January, 2005. The attendance of the Audit Committee Members was as under :-

<b>Name</b>	<b>Category</b>	<b>No. of Meeting (s) Attended</b>
Mr K C Agarwal	Chairman	2
Mr R K Srivastava	Member	4
Mr Satendra Seksaria	Member	4

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

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.

- Share Transfer & Shareholders/Investors' Grievance Committee**

The Share Transfer & Shareholders' / Investors' Grievance Committee of the Company looks into the matters like transfer / transmission, issuance of duplicate shares etc. and investigate the investors' complaints and take necessary steps for redressal thereof.