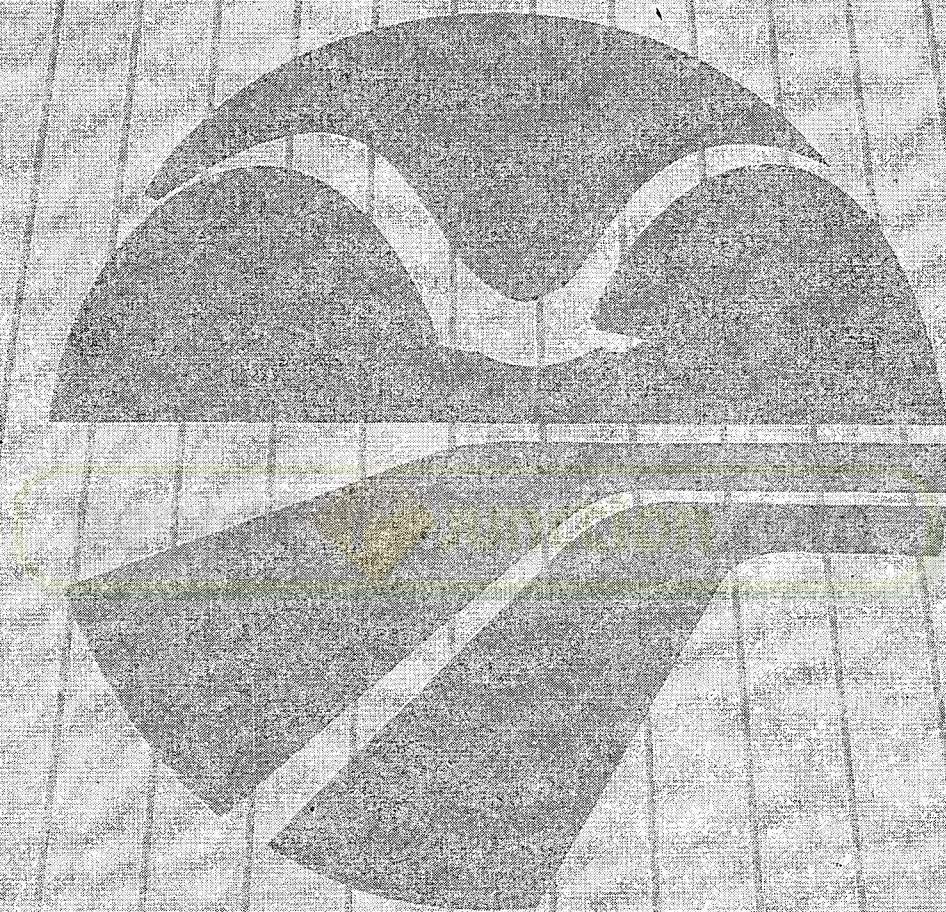


VCCL LIMITED



TWENTY FIRST ANNUAL REPORT
2006-2007

VCCL LIMITED

BOARD OF DIRECTORS

R K SRIVASTAVA, Director
M K KANODIA, Director
R K CHADHA, Director
D R DOGRA, Director
ATUL SHARMA, Director

COMPANY SECRETARY

ALOK MISHRA

AUDITORS

ONKAR TANDON & CO
Chartered Accountants,
Kanpur 208001

REGISTERED OFFICE

C-3, Panki Industrial Estate,
Kanpur- 208 022

ADMINISTRATIVE & COMMERCIAL OFFICE

714, RAHEJA CHAMBERS
NARIMAN POINT
MUMBAI – 400 021

WORKS

SALON
DIST. RAE BARELI – 229127 (U.P.)

REGISTRAR AND SHARE TRANSFER AGENT

ALANKIT ASSIGNMENTS LIMITED
RTA Division
2 E/21, Jhandewalan Extension
New Delhi – 110 055

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VCCL LIMITED**NOTICE**

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of VCCL Limited will be held on Saturday the 29th September, 2007 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, 2007 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. Atul Sharma, who retires by rotation and is eligible 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 though fit, to pass, with or without modification(s), following resolution as An Ordinary Resolution:

"RESOLVED THAT Mr. R K Chadha, 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. R K Chadha'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 though fit, to pass, with or without modification(s), following resolution as An Ordinary Resolution:

"RESOLVED THAT Mr. M K Kanodia, 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. M K Kanodia's candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To Consider and if though fit, to pass, with or without modification(s), following resolution as An Ordinary Resolution:

"RESOLVED THAT Mr. D R Dogra 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. D R Dogra's candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To Consider and if though fit, to pass, with or without modification(s), following resolution as a Special Resolution :

"RESOLVED THAT the Equity Shares of the Company be delisted from the U P Stock Exchange Association Limited, Kanpur in accordance with the relevant laws, rules, regulations and guidelines (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and compliance with such conditions and modifications as may be necessary for this purpose."

"RESOLVED FURTHER THAT 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 exercising the powers conferred by the Board) be and is hereby authorized to seek voluntary delisting, 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 and to settle any question, difficulty, doubt that may arise in regard to delisting of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient in connection thereto."

Place : Kanpur
Dated : 30th June, 2007

By Order of the Board of Directors
ALOK MISHRA
Company Secretary

VCCL LIMITED

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, 5 & 6) are annexed herewith.
3. The Register of Members and the Share Transfer Books will remain closed from Tuesday, the 25th September, 2007 to Saturday, the 29th September, 2007 (both days inclusive).
4. Pursuant to SEBI circular 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 Assignments Limited, RTA Division, 2E/21, 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) Limited.
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 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. Shareholders, 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 DIRECTORS

Item No. 2

Mr. Atul Sharma, a commerce graduate, aged 47 years, has a vast experience of, about 28 years in Accounts and Finance.

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

He is member of Audit Committee & Share Transfer & Shareholder/Investor Grievances of the Company.

Resolution contained at Item No. 2 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

Item No. 4

Board had appointed Mr. R K Chadha as an Additional Director of the Company on 05.09.2006. Mr. R K Chadha a commerce graduate, aged 55 has a vast experience of, about 28 years in Accounts and Finance.

He is also holding the Directorship in six more companies. He does not hold any shares of the Company

Company has received a notice in writing from a member proposing the candidature of Mr. R K Chadha 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.

He is member of Audit Committee & Share Transfer, Shareholder/Investor Grievances and Sub-Committee of Director of the Company.

None of the Directors of the Company except Mr. R K Chadha, is in any way, concerned or interested in the passing of the said resolution

Item No. 5

Board had appointed Mr. M K Kanodia as an Additional Director of the Company on 05.03.2007. Mr. M K Kanodia is Chartered Accountants aged 53 has a vast experience of, about 28 years in Accounts and Finance.

He is also holds Directorship in two more companies. He alongwith his relatives holds 200 shares of the Company.

Company has received a notice in writing from a member proposing the candidature of Mr. M. K. Kanodia for the office of Director under Section 257 of the Companies Act, 1956.

Resolution contained at item No. 5 of the accompanying Notice, is commended by the Board for your approval.

He is Chairman of Share Transfer, Shareholder/Investor Grievances and member of Sub-Committee of Director of the Company.

VCCL LIMITED

None of the Directors of the Company except Mr. M K Kanodia, is in any way, concerned or interested in the passing of the said resolution

Item No. 6

Board had appointed Mr. D R Dogra as an Additional Director of the Company on 05.03.2007. Mr. D R Dogra aged 55 has a vast experience of, about 25 years in Administration. 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. D R Dogra for the office of Director under Section 257 of the Companies Act, 1956.

Resolution contained at item No.6 of the accompanying Notice, is commended by the Board for your approval.

None of the Directors of the Company except Mr. D.R. Dogra, is in any way, concerned or interested in the passing of the said resolution.

Item No. 7

Presently, the Equity Shares of the Company are listed on the Stock Exchanges at Kanpur and Mumbai. Consequent to the recent rapaid changes in the capital market in relation to the manner of dealing in shares/securities of companies, the volume of trading in Company's Equity Shares on the U P Stock Exchange, Kanpur has reduced to negligible level. The Board of Directors of the Company at their meeting held on 30.06.2007 has, therefore decided to get the shares of the Company voluntarily delisted from the U P Stock Exchange Association Ltd. Kanpur in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered into by the Company with the said stock exchanges, your approval for the proposal is sought by way of a Special Resolution for delisting the shares of the Company from the said stock exchanges.

The special resolution mentioned at SL. No.7 of the notice is commended by your Directors for approval of the Members.

None of the directors is, in any way, concerned or interested, in the above resolution.

By Order of the Board of Directors

Place : Kanpur
Dated: 30th June, 2007

ALOK MISHRA
Company Secretary

VCCL LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors present their Twenty First Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2007.

Operations

During the year under review, your Company incurred a net loss of Rs. 55.10 lakhs.

Management Discussion and Analysis Report

The Company is exploring various possibilities and having discussions with investors for use of resources/assets in an appropriate manner including but not limited to lease/sale of the assets of the Company as has already been approved by the shareholders earlier. The Company is also contemplating to have discussions on matters relating to infra structural facilities.

Corporate Governance

Your Company has been practicing the principles of good corporate governance. The Board of Directors supports 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 Exchanges, are enclosed.

Directorate

Mr. Atul Sharma retires by rotation and, being eligible, offers himself for re-appointment.

During the year under review, Mr. Alok Prahladka, Mr. K C Agarwal & Mr. Balkrishan Shriya have resigned from the Directorship of the Company. Mr. R K Chadha, Mr. M K Kanodia and Mr. D R Dogra have joined the Board as Additional directors. Notices have been received U/s 257 of the Companies Act, 1956 for the reappointment of Mr. R K Chadha, Mr. M K Kanodia and Mr. D R Dogra. The Board expresses its gratitude to the outgoing Directors and welcomes the new Directors.

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 observation 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. We shall apply for the necessary exemption from the Cost Audit u/s 233B of the Companies Act, 1956 to the Ministry of Company Affairs.

Loans and Advances

The Company does not have any subsidiary and no loans and advances have been made 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

VCCL LIMITED

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 Bombay Stock Exchange Limited, Mumbai
- The U P Stock Exchange Association Limited, Kanpur

The Company confirms that it has paid the Annual Listing Fee to the Bombay Stock Exchange Limited for the financial year 2007-2008.

Delisting of Equity Shares from UPSE:

Consequent to the recent changes in capital market in relation to the manner of dealing in shares/ securities of Companies, it has been observed that trading in equity shares of the Company at U.P. Stock Exchanges has reduced to negligible level. Accordingly, it is proposed

to voluntarily delist the Company's equity shares from U.P. Stock Exchange and necessary resolution for the same is being placed before you for approval.

Acknowledgement

Your Directors appreciate the valuable co-operation extended by the Central and State Government Authorities for their continued assistance, guidance and support. Your Directors grateful to the Shareholders and general public for their support and confidence reposed in the management.

For and on behalf of the
Board of Directors

Place : KANPUR
Dated : 30th June, 2007

R K SRIVASTAVA
DIRECTOR

Report Junction.com

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, consists of following Directors, all being non-executive, as on 31.03.2007, categorised as indicated under :-

Name	Status	No. of Directorships and Committee Memberships / Chairmanships of other public companies		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr R K Srivastava	Independent & Non-Executive	2	-	-
Mr R K Chadha	Independent & Non-Executive	6	-	-
Mr. Atul Sharma	Independent & Non-Executive	-	-	-
Mr. M K Kanodia	Independent & Non-Executive	2	-	-
Mr. D R Dogra	Independent & Non-Executive	-	-	-

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

Seven Board Meetings were held during the financial year 2006-07. These meetings were held on 29th April, 2006, 30th June, 2006, 29th July, 2006, 5th September, 2006 30th October, 2006, 29th January, 2007 and 5th March, 2007 The attendance record of all the Directors at the Board Meeting and the last AGM between 01.04.2006 to 31.03.2007 was as under:

Name	No. of BoD Meetings attended	Attended last AGM
Mr. B K Shriya*	2	No
Mr. K C Agarwal#	1	No
Mr. R K Srivastava	7	Yes
Mr. Alok Prahladka**	-	No
Mr. Atul Sharma	6	Yes
Mr. R K Chadha	4	Yes
Mr. M K Kanodia	1	No
Mr. D R Dogra	1	No

* Resigned from the Board w.e.f. 5th March, 2007,

** Resigned from the Board w.e.f. 30th June 2006,

Resigned from the Board w.e.f. 05th September 2006

Directors' Remuneration

All Directors, 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 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.

VCCL LIMITED**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 2006-07, on 30th June, 2006, 29th July, 2006, 30th October, 2006 and 29th January, 2007. The attendance of the Audit Committee Members was as under:-

Name	Category	No. of Meeting (s) Attended
Mr. RK Srivastava	Chairman	4
Mr. KC Agarwal *	Ex- Chairman	1
Mr. RK Chadha	Member	2
Mr. Atul Sharma	Member	4

* Resigned from the Board w.e.f. 05th September 2006.

Mr. ALOK MISHRA, Company Secretary is 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.

Share Transfer & Shareholders'/Investors Grievance Committee, consisting of following Directors, meets 4 times during the year 2006-07 on 30th June, 2006, 29th July, 2006 30th October, 2006 and 29th January, 2007. The attendance of the Members of Share Transfer & Shareholder's / Investors' Grievance Committee was as under:

Name	Category	No. of Meeting (s) Attended
Mr B K Shriya *	Ex Chairman	1
Mr K C Agarwal **	Ex Member	1
Mr M K Kanodia	Chairman	-
Mr. R K Chadha	Member	2
Mr Atul Sharma	Member	4

* Resigned from the Board w.e.f. 5th March, 2007

** Resigned from the Board w.e.f. 05th Sep 2006,

Complaints by shareholders & their redressal during 01.04.2006 to 31.03.2007 is furnished in the table given below:-

Nature of Complaints	Received	Solved
Non-receipt of Annual Report	04	04
Delay in Transfer of Shares / Non-receipt of shares after Transfer	02	02
Non-receipt of Dividend Warrants	01	01
Change of Address	Nil	Nil
Others -	Nil	Nil
TOTAL	07	07