

VCCL LIMITED

BOARD OF DIRECTORS

R K SRIVASTAVA, *Director*

R K CHADHA, *Director*

G K MALVIYA, *Director*

H M KAPOOR, *Director*

COMPANY SECRETARY

SANJEEV KUMAR

AUDITORS

ONKAR TANDON & CO

Chartered Accountants,

Kanpur - 208 001

REGISTERED OFFICE

C-3, Panki Industrial Estate, Site-I,

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-fourth Annual General Meeting of the Members of VCCL Limited will be held on Wednesday, 29th September, 2010 at 3.00 P.M. at its Registered Office at C-3, Panki Industrial Estate, Site-I, 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, 2010 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 Chadha, 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 Auditor, be and are hereby appointed as Auditor 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.”

By Order of the Board of Directors

Place : Kanpur

SANJEEV KUMAR

Dated : 28th May, 2010

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 Nos. 2) is annexed herewith.
3. The Register of Members and the Share Transfer Books will remain closed from Wednesday, the 22nd September, 2010 to Wednesday, the 29th September, 2010 (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.

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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.

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS

Item No. 2

Mr. R K Chadha aged 58 years is a commerce graduate and has experience of about 31 years in Accounts and Finance.

He is also holding the Directorship in Four Public Limited and Two Private Limited companies. He does not hold any shares of the Company.

He is chairman of Audit Committee and member of Share Transfer & Shareholder/Investor Grievances Committee and Sub Committee of Directors 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. R K Chadha, is in any way, concerned or interested in the passing of the said resolution

By Order of the Board of Directors

Place : Kanpur
Dated : 28th May, 2010

SANJEEV KUMAR
Company Secretary

VCCL LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors present their Twenty Fourth Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2010.

Operations

During the year under review, your Company's operation remained suspended.

Management Discussion and Analysis Report

The Company is exploring various possibilities regarding the matter of resources/assets including but not limited to lease/sale of the assets of the Company as has already been approved by the shareholders earlier.

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

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 judgments 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., Auditor of the Company, is retiring at the ensuing Annual General Meeting and being eligible, offer themselves 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 manufacturing operations during the year, no records under section 209 (1)(d) of the Companies Act, 1956 were required to be maintained. We have secured the approval regarding exemption from the Cost Audit u/s 233B of the Companies Act, 1956, from Ministry of Corporate Affair, Cost Audit Branch.

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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

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:

- 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 Bombay Stock Exchange Limited and the U P Stock Exchange Association Limited, Kanpur for the financial year 2010-11.

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 are 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

R. K. SRIVASTAVA

Dated : 28th May, 2010

Director

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 31.03.2010 categorized 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 | 1 | — | — |
| Mr R K Chadha | Independent & Non-Executive | 4 | — | — |
| Mr. G K Malviya | Independent & Non-Executive | — | — | — |
| Mr. H M Kapoor | Independent & Non-Executive | — | — | — |

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

Five Board Meetings were held during the financial year 2009-10. These meetings were held on 08th April, 2009, 29th June, 2009, 27th July, 2009, 31st October, 2009, and 27th January, 2010. The attendance record of all the Directors at the Board Meeting and the last AGM between 01.04.2009 to 31.03.2010 was as under :

| Name | No. of BOD Meetings attended | Attended last AGM |
|-----------------------|------------------------------|-------------------|
| Mr. R K Srivastava | 5 | Yes |
| Mr. R K Chadha | 5 | Yes |
| Mr. G K Malviya | 5 | No |
| Mr. Hari Mohan Kapoor | 5 | No |
| Mr. M K Kanodia* | 1 | Yes |
| Mr. D R Dogra* | - | No |
| Mr. Atul Sharma* | - | No |

*Mr. M.K Kanodia, Mr. D R Dogra and Mr. Atul Sharma have resigned with effect from 8th April 2009.

Directors' Remuneration

The details of Remuneration paid to the directors during the year were as under:

| Name | Gross Remuneration (Rs.) | Sitting Fee (Rs) | Total (Rs.) |
|---------------------|--------------------------|------------------|-------------|
| Mr. R. K Srivastava | - | - | - |
| Mr. R. K Chadha | - | - | - |
| Mr. G. K. Malviya | - | 4000/- | 4000/- |
| Mr. H.M Kapoor | - | 4000/- | 4000/- |

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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 advice 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 2009-10, on 29TH June, 2009, 27th July, 2009, 31st October, 2009 and 27th January, 2010. The attendance of the Audit Committee Members was as under:-

| Name | Category | No. of Meeting(s) Attended |
|-----------------|----------|----------------------------|
| Mr. R K Chadha | Chairman | 4 |
| Mr. G K Malviya | Member | 4 |
| Mr. H M Kapoor | Member | 4 |

Mr. Sanjeev Kumar, Company Secretary is acting as secretary of Audit committee with effect from 25th July 2008.

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.
- 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, consist of following Directors. It met four times during the year 2009-10 on 08th April, 2009, 29th June, 2009, 31st October, 2009 and 27th January, 2010. The attendance of the Members of Share Transfer & Shareholders' / Investors' Grievance Committee was as under:

| Name | Category | No. of Meeting(s) Attended |
|-------------------|----------|----------------------------|
| Mr M K Kanodia* | Chairman | 1 |
| Mr R K Srivastava | Chairman | 3 |
| Mr R K Chadha | Member | 4 |
| Mr G K Malviya | Member | 3 |
| Mr Atul Sharma | Member | - |

*Mr. M.K Kanodia and Mr. Atul Sharma have resigned as a member of Board and Share Transfer & shareholders'/ Investors' Grievance committee with effect from 8th April 2009.