

VCCL LIMITED



**TWENTY FIFTH ANNUAL REPORT
2010-2011**

VCCL LIMITED 25TH ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

RAM KUMAR SRIVASTAVA	<i>Independent Director</i>
RAVINDRA KUMAR CHADHA	<i>Independent Director</i>
GOPI KRISHNA MALVIYA	<i>Independent Director</i>
HARI MOHAN KAPOOR	<i>Independent Director</i>

COMPANY SECRETARY & COMPLIANCE OFFICER

VIMAL PRASAD GUPTA

AUDITORS

ONKAR TANDON & CO.
Chartered Accountants,
KANPUR - 208001. (U.P.)

REGISTERED OFFICE

C-3, Panki Industrial Estate, Site-I,
KANPUR- 208 022. (U.P.)

ADMINISTRATIVE & COMMERCIAL OFFICE

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

WORKS

Salon,
District * Chhatrapati Shahuji Maharaj Nagar,
PIN - 229127. (U.P.)
(*Earlier known as Rae Bareilly District)

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 Fifth Annual General Meeting of the Members of VCCL Limited will be held on Wednesday, 28th September, 2011 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 businesses :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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. Gopi Krishna Malviya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hari Mohan Kapoor, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 all other applicable provisions, if any, of the Companies Act, 1956, M/s. Onkar Tandon & Co., Chartered Accountants, (Firm Registration No. 000953C) of Kanpur (U.P.), the retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General 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
For VCCL Limited

VIMAL PRASAD GUPTA

*Company Secretary &
Compliance Officer*

Place : Kanpur
Dated : 18th May, 2011

NOTE(S) :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO 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 (for Item Nos. 2 & 3) is annexed herewith.
3. The Register of Members and the Share Transfer Books will remain closed from Wednesday, the 21st September, 2011 to Wednesday, the 28th September, 2011 (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/queries 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

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are requested to send the intimation for change of addresses 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 Dematerialization Request Form (DRF) along with Share Certificates 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 at the time of Annual General meeting.
8. Only Individual Members/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 :

For Item No. 2

Mr. Gopi Krishna Malviya age 67 years, is a graduate and a retired Bank Officer and has vast experience of about 45 years in Banking sector and well conversant in the field of Accounts and Finance.

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

He is also a member of Audit Committee, Share Transfer & Shareholders/Investors' Grievances Committee of the Company.

Resolution contained at Item No. 2 of the accompanying Notice, is recommended by the Board for your approval.

None of the Directors of the Company except Mr. Gopi Krishna Malviya, are in any way, concerned or interested in the passing of the said resolution.

For Item No. 3

Mr. Hari Mohan Kapoor age 64 years is a graduate and a retired Bank Officer and has vast experience of about 43 years in Banking sector and well conversant in the field of Accounts and Finance.

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

He is also a member of Audit Committee & Sub-Committee of Directors of the Company.

Resolution contained at Item No. 3 of the accompanying Notice, is recommended by the Board for your approval.

None of the Directors of the Company except Mr. Hari Mohan Kapoor, are in any way, concerned or interested in the passing of the said resolution.

By Order of the Board of Directors
For VCCL Limited

VIMAL PRASAD GUPTA

*Company Secretary &
Compliance Officer*

Place : Kanpur
Dated : 18th May, 2011

VCCL LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2011.

Operations

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

Dividend

Due to suspension of operation of the company your Directors regret their inability to recommend any dividend for the year.

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 been already 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. Gopi Krishan Malviya & Mr. Hari Mohan Kapoor retire by rotation and, being eligible, offer themselves for re-appointment. Directors recommend their reappointment as Director of the company.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 pertaining to Directors' Responsibility Statement, the Directors confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) 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 losses of the Company for that period;
- c) 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
- d) 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 being eligible, offer themselves for re-appointment.

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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 Affairs, Cost Audit Branch.

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.
- U.P. Stock Exchange Limited, Kanpur.

The Company confirms that it has paid the Annual Listing Fee to Bombay Stock Exchange Limited, Mumbai and U.P. Stock Exchange Limited, Kanpur for the financial year 2011-12.

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 also 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
For VCCL LIMITED

Place : Kanpur
Dated : 18th May, 2011

R K Chadha
Director

R K Srivastava
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 Independent & non-executive, as on 31.03.2011 categorized indicated as 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	5	–	–
Mr. G K Malviya	Independent & Non-Executive	–	–	–
Mr. H M Kapoor	Independent & Non-Executive	–	–	–

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

Four Board Meetings were held during the financial year 2010-11. These meetings were held on 28th May, 2010, 9th August, 2010, 2nd November, 2010 and 10th February, 2011. The attendance record of all the Directors at the Board Meeting and the last AGM held on 29th September, 2011 was as under :

Name	No. of BOD Meetings attended	Attended last AGM
Mr. R K Srivastava	3	Yes
Mr. R K Chadha	4	Yes
Mr. G K Malviya	4	Yes
Mr. H M Kapoor	4	Yes

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	–	16000.00	16000.00
Mr. H M Kapoor	–	12000.00	12000.00

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, analyze 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 an Audit Committee. Composition of the Audit Committee meets all the criteria under the Law. The Committee comprises of following three

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directors, all being Non-Executive & Independent. It met four times during the financial year 2010-11, on 28th May, 2010, 9th August, 2010, 2nd November, 2010 and 10th February, 2011. 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 acted as Secretary of the Audit Committee till 22nd July, 2010 and Mr. Vimal Prasad Gupta, Company Secretary is acting as Secretary of Audit Committee with effect from 20th September, 2010. Head of the Internal Audit and Accounts Department & Statutory Auditors attended the meetings of Audit Committee.

The Audit Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, various audit reports, significant decisions affecting the financial statements, compliance with accounting standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. Board accepted all the recommendations of the Audit Committee.

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. It met four times during the year 2010-11 on 28th May, 2010, 09th August, 2010, 2nd November, 2010 and 10th February, 2011. The attendance of the Members of Share Transfer & Shareholders' / Investors' Grievance Committee was as under :

Name	Category	No. of Meeting(s) Attended
Mr. R K Srivastava	Chairman	3
Mr. R K Chadha	Member	4
Mr. G K Malviya	Member	4

Complaints by shareholders & their redressal during the period of 01.04.2010 to 31.03.2011 are furnished in the table given below :-

Nature of Complaints	Received	Resolved
Non-receipt of Annual Report	02	02
Delay in Transfer of Shares / Non-receipt of Shares Certificates	02	02
Non-receipt of Dividend Warrants	02	02
Change of Address	Nil	Nil
Others	Nil	Nil
TOTAL	06	06

Sub-Committee of Directors

The Company has a Sub-Committee of Directors of the Board for taking on records the un-audited financial results of the Company and to do all other acts, deeds and things in terms of clause 41 of the Listing Agreement. The Sub-Committee of Directors comprises the following Directors, all being Independent & Non-Executive :-

Name	Category
Mr R K Srivastava	Chairman
Mr R K Chadha	Member
Mr H M Kapoor	Member

The Committee didn't meet during the year, as the Board of Directors meetings were held for taking the un-audited financial results on record.