

VCCL LIMITED



**TWENTY SIXTH ANNUAL REPORT
2011-2012**

BOARD OF DIRECTORS

RAM KUMAR SRIVASTAVA, *Director*
RAVINDRA KUMAR CHADHA, *Director*
GOPI KRISHNA MALVIYA, *Director*
HARI MOHAN KAPOOR, *Director*

COMPANY SECRETARY & COMPLIANCE OFFICER

VIMAL PRASAD GUPTA

AUDITORS

ONKAR TANDON & CO.
Chartered Accountants,
KANPUR- 208 001. (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 - 229 127. (U.P.)

REGISTRAR AND SHARE TRANSFER AGENT

ALANKIT ASSIGNMENTS LIMITED
RTA Division,
2 E/21, Jhandewalan Extension,
NEW DELHI - 110 055.

CONTENTS

	Page No. (s)
Notice	2-3
Directors' Report	4-5
Corporate Governance & Shareholder Information	6-11
Auditors' Report	12-13
Balance Sheet	14
Profit and Loss Account	15
Notes forming part of the Balance sheet and Profit and Loss Account	16-22
Cash Flow Statement	23
Proxy Form and Attendance Slip	

VCCL LIMITED

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of VCCL Limited will be held on Saturday, 29th September, 2012 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, 2012 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. Ram Kumar Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ravindra Kumar Chadha 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: 26th May, 2012

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 WHICH, IF INTENDED TO BE USED, SHOULD BE RETURNED DULLY FILLED, STAMPED AND SIGNED 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 Saturday, the 22nd September, 2012 to Saturday, the 29th September, 2012 (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 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

VCCL LIMITED 26TH ANNUAL REPORT 2011-12

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:

Item No. 2

Mr. Ram Kumar Srivastava, M.A., LL.B., D.LL., age 73 years, has a vast experience of about 49 years in various areas of Business Management. He is the Director of the Company since 29TH June, 2000.

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

He holds 100 Equity Shares of the Company.

He is also Whole-time Director in LML Limited and member in Risk Management Committee of LML Limited.

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. Ram Kumar Srivastava, is in any way, concerned or interested in the passing of the said resolution.

Item No. 3

Mr. Ravindra Kumar Chadha a commerce graduate, age 60 years, has experience of about 38 years in Accounts and Finance.

He is holding the Directorship in three other Public Limited companies. He does not hold any shares of the Company.

He is also 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. 3 of the accompanying Notice, is recommended by the Board for your approval.

None of the Directors of the Company except Mr. Ravindra Kumar Chadha, is 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: 26th May, 2012

VCCL LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2012.

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. Ram Kumar Srivastava & Mr. Ravindra Kumar Chadha retire by rotation and, being eligible, offer themselves for re-appointment. Board of 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the L/c 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.

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.

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:

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

The Company confirms that it has paid the Annual Listing Fee to BSE Limited, Mumbai and U.P. Stock Exchange Limited, Kanpur.

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

Ravindra Kumar Chadha Ram Kumar Srivastava

Dated : 26th May, 2012

Director

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 31.03.2012 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	1	–
Mr. R K Chadha	Independent & Non-Executive	3	–	–
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 2011-12. These meetings were held on 18th May, 2011, 5th August, 2011, 5th November, 2011 and 6th February, 2012. The attendance record of all the Directors at the Board Meeting and the last AGM held on 28th September, 2011 was as under:

Name	No. of BOD Meetings attended	Attended last AGM
Mr. R K Srivastava	4	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	–	12000.00	12000.00
Mr. H M Kapoor	–	8000.00	8000.00

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 directors, all being Non-Executive & Independent. It met four times during the financial year 2011-12, on 18th May, 2011, 5th August, 2011, 5th November, 2011 and 6th February, 2012. 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. Vimal Prasad Gupta, Company Secretary is acting as secretary of Audit committee. Statutory Auditors attended the meeting of 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 2011-12 on 18th May, 2011, 5th August, 2011, 5th November, 2011 and 6th February, 2012. 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	4
Mr. R K Chadha	Member	4
Mr. G K Malviya	Member	4

Complaints by shareholders & their redressal during the period of 01.04.2011 to 31.03.2012 are furnished in the table given below:-

Nature of Complaints	Received	Resolved
Non-receipt of Annual Report	Nil	Nil
Delay in Transfer of Shares / Non-receipt of shares Certificates	Nil	Nil
Non-receipt of Dividend Warrants	01	01
Change of Address	Nil	Nil
Others	Nil	Nil
TOTAL	01	01

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.

VCCL LIMITED

IV. OTHER DISCLOSURES

Details of last three Annual General Meetings

Year	Venue	Date	Time	Any Special Resolution
2011	Regd. Office at C-3, Panki Industrial. Estate, Site-I Kanpur- 208 022. (U.P.)	28 th September, 2011	03.00 PM	No
2010	Regd. Office at C-3, Panki Industrial. Estate, Site-I Kanpur- 208 022. (U.P.)	29 th September, 2010	03.00 PM	No
2009	Regd. Office at C-3, Panki Industrial. Estate, Site-I Kanpur- 208 022. (U.P.)	29 th September, 2009	03.00 PM	No

Whether special resolution were put through Postal Ballot last year, details of voting pattern	No
Person who conducted the Postal Ballot exercise	N.A.
Are votes proposed to be conducted through Postal Ballot this year	No
Procedure for Postal Ballot	N.A.

Disclosures

(i) Related Party transaction

None of the transactions with any of the related party are in conflict with the interest of the Company.

(ii) Compliances by the Company

There is no non-compliance of any provision of law by the Company nor any penalty / stricture imposed on the Company by Stock Exchange(s), SEBI or any other authority, on any matter related to capital markets, during the last three years.

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and same is posted on website of the Company.

(iv) Access to the Audit Committee

All concerned person has access to the audit committee.

(v) Complied with the Mandatory Requirements

The Company has complied with all the mandatory requirements of the Corporate Governance.

Means of Communication

Half yearly report sent to each house hold of share holders	No. Company is publishing the results in National & Regional Newspapers.
Quarterly Results are normally published in	Quarterly Results are published in National & Regional Newspapers.
Any web-site, where displayed	Yes 1. Company's website- www.vcclindia.com 2. The results are also being sent to all the Stock Exchanges, where the shares of the Company are listed, for putting, in their own web-site.
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	N.A.
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes
Whether Shareholder Information Section Forms part of Annual Report	Yes

V. SHAREHOLDER INFORMATION

• **Annual General Meeting**

Day & Date	Saturday, 29 th September, 2012
Time	3.00 P.M.
Venue	C-3, Panki Industrial Estate, Site-I, Kanpur-208022. (U.P.)

• **Financial Year & Calendar (tentative)**

Financial Year of the Company	From 1 st April to 31 st March
Financial Reporting for the quarter ending June 30, 2012	Upto 14 th August, 2012
Financial Reporting for the quarter/half year ending September 30, 2012	Upto 14 th November, 2012
Financial Reporting for the quarter ending December 31, 2012	Upto 14 th February, 2013
Financial Reporting for the year ending March 31, 2013	Upto 30 th May, 2013
Annual General Meeting for the Financial Year 2012-13	End of September, 2013

• **Dates of Book Closure**

From Saturday, the 22nd September, 2012 to Saturday, the 29th September, 2012 (both days inclusive).

• **Dividend Payment Date**

In view of accumulated losses, your Directors have not recommended any dividend on Equity Shares for the Financial Year 2011-12.

• **The names of the Stock Exchanges in which the Equity Shares of the Company are listed :**

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

• **Stock Code**

BSE Limited, Mumbai.	522015
U.P. Stock Exchange Limited, Kanpur.	VESP

• **Market Price Data of the Company for the financial year 2011-12**

Monthly High & Low prices of the Equity Shares of the Company for the period 1st April 2011 to 31st March, 2012 were as under:-
(Amount in Rs.)

Month	BSE	
	High	Low
April, 2011	6.80	6.80
May, 2011	6.80	5.25
June, 2011	5.00	5.00
July, 2011	5.00	5.00
August, 2011	4.76	4.76
September, 2011	Not Traded*	Not Traded*
October, 2011	4.76	4.76
November, 2011	Not Traded*	Not Traded*
December, 2011	Not Traded*	Not Traded*
January, 2012	Not Traded*	Not Traded*
February, 2012	Not Traded*	Not Traded*
March, 2012	4.75	4.09

Note: * In the Month of September 2011 and November 2011 to February 2012 no transaction of Shares taken place as per record available on BSE website. Hence, Market Prices are not available for these months.

VCCL LIMITED

- Share Transfer System**

In compliance with 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, w.e.f. 01.04.2003 the Company has assigned the whole share transfer work to M/s Alankit Assignments Limited, RTA Division, 2 E/21, First Floor, Jhandewalan Extension, New Delhi – 110 055.

Share Transfers in physical form are registered, if documents are clear in all respect and returned to the registered shareholders' in physical form, within the stipulated time.

- Dematerialization of shares and liquidity**

Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 02.01.2002. All requests for dematerialization of shares are processed and confirmation is given to the depository i.e. Central Depository Services (India) Ltd. (CDSL) within the stipulated time. Up to 31st March, 2012, 3.60% equity shares of the Company have been dematerialized.

Other details are as under

- Approximate time taken for share transfer if the Documents are clear in all respects : 21 days
- Demat ISIN Number for Equity Shares of the Company in CDSL : INE460E01010
- Total No. of shares dematerialized upto 31.03.2012 : 172900
- Total No. of shares dematerialized during F.Y. 2011-12 : 8000
- Total No. of shares rematerialized upto 31.03.2012 : 700
- Total No. of shares rematerialized during F.Y. 2011-12 : 100
- Total No. of shares transferred during 2011-12 (Physical) : 3000
- No. of shares pending for transfer as on 31.03.2012 : NIL
- No. of shares pending for dematerialization / Confirmation as on 31.03.2012 : NIL
- Shareholding Pattern as on 31.03.2012:**

Sl. No.	Category	No. of Shareholders	Percentage of Holders	No. of Equity Shares	Percentage of Holding
1.	Resident Individuals & HUF	7976	83.772	1573807	32.787
2.	Indian Companies	33	0.347	1377100	28.690
3.	FIs/Mutual Funds/Banks	2	0.021	300	0.006
4.	Promoters/ Directors & their relatives	2	0.021	1536100	32.002
5.	NRIs/OCBs/FIIs/FCs	1508	15.839	312700	6.515
	TOTAL	9521	100.000	4800007	100.000

- Distribution of Shareholding as on 31.03. 2012**

Sl. No.	Category	No. of Holders	Percentage of Holders	Holding No. of Shares	Percentage of Holding
1.	1-500	9147	96.071	1422707	29.640
2.	501-1000	258	2.710	216400	4.508
3.	1001-5000	109	1.145	213400	4.446
4.	5001-10000	3	0.032	17700	0.369
5.	10001 & ABOVE	4	0.042	2929800	61.037
	TOTAL	9521	100.000	4800007	100.000

- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity**

The Company does not have any such instrument at present.

- Plant Location**

Salon, District – Chhatrapati Shahuji Maharaj Nagar - 229 127.(U.P.)

- **Address of the Registrar & Share Transfer Agent for correspondence**

M/s Alankit Assignments Limited
2 E/21, Jhandewalan Extension,
New Delhi - 110 055.
Phone Nos. : (011) 23541234, 42541234
Fax No. : (011) 23552001
E-mail : info@alankit.com
Website : www.alankit.com

- **Declaration by the Director under Clause 49(1)(D):**

“Pursuant to Clause 49 (1) (D) of the Listing Agreement with Stock Exchanges, We hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the respective provisions of Code of the Conduct of the Company for the year ended 31st March 2012.”

Sd/- Ravindra Kumar Chadha <i>Director</i>	Sd/- Ram Kumar Srivastava <i>Director</i>
--	---

- **CEO and CFO Certification**

Mr. Ram Kumar Srivastava and Mr Ravindra Kumar Chadha, Directors of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

- **CERTIFICATION BY THE AUDITORS**

As required under Clause 49 of the Listing Agreement, the Statutory Auditors of the Company have verified the compliance of the Corporate Governance by the Company. Their report is annexed hereinafter.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members of VCCL Limited

We have examined the compliance of conditions of Corporate Governance by VCCL Limited (the Company), for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges (hereinafter referred to as “the agreement”).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and based on our view and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated in the Clause 49 of the agreement have been complied with in all material aspects by the Company.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the record maintained by the Company and noted by the Board of Directors/Share Transfer and Shareholders/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For Onkar Tandon & Co.

Chartered Accountants

FRN-000953C

Sd/-

(Onkar Tandon)

Partner

M.No.17232

Place: Kanpur

Date : 26th May, 2012

VCCL LIMITED

AUDITORS' REPORT

To,
The Members of VCCL LIMITED

We have audited the attached Balance Sheet of VCCL LIMITED as at 31st March, 2012 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to in para above, we state that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.

- e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon and specifically Para no.10 of Note 12 pertaining to "Impairment of Assets", give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
- ii) in the case of the Profit and Loss account, of the Loss of the Company for the year ended on that date; and
- iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ONKAR TANDON & CO.

Chartered Accountants
FRN: 000953C

ONKAR TANDON
Partner

Place: Kanpur
Dated: 26th May, 2012

M.No. 017232

Annexure Referred to in the Auditors' Report to the Members of VCCL Limited for the year ended 31st March, 2012

1. a) The Company has maintained a reconstructed record showing relevant particulars including quantitative details and location of the Fixed Assets.
- b) There is no regular program of physical verification in the circumstances of Company's manufacturing operations having remained suspended for some years. No material discrepancies have been noticed in respect of the major items of Plant & Machinery physically verified at the year end.
- c) The Company has not disposed off substantial part of fixed assets during the year.
2. a) The Company has not accepted any loans during the year from the parties covered in the register maintained under section 301 of the Companies Act, 1956.

VCCL LIMITED 26TH ANNUAL REPORT 2011-12

- b) The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956
3. There has been no purchase / sale activity in the year and matters relating to internal control procedures are not applicable with regard to purchase/sale.
 4. Based on the audit procedure applied by us and according to the information and explanations provided by the management, during the year, there has been no contract or arrangement that needed to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4 (v)(b) of the said order is not applicable.
 5. The Company has not accepted any deposits from the public.
 6. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 7. In view of the suspension of own manufacturing operations continuing during the year at the plant, no records under Sec. 209(1)(d) of the Companies Act, 1956 were required by the Central Government to be maintained by the Company.
 8. The Company has been regular in depositing undisputed statutory dues pertaining to it, including Provident Fund, Sales Tax, Income Tax Deducted at Source and Custom Duty for part of the year. Arrears exceeding six months at the year-end were existent in respect of Provident Fund Rs. 87047/- stands provided for and remain to be deposited.
 9. Following dues are not deposited on account of disputes pending at various forums:

Statute	Nature of Dues	Amount (Rs.)	Period to which Amount Relates	Forum where dispute is pending
Sales Tax / Trade Tax	Tax	863320/-	1991-92	Tribunal
		2545375/-	1992-93	Tribunal
		725260/-	1993-94	Tribunal
		122065/-	1994-95	Tribunal
		27597/-	1999-00	Tribunal
 10. The accumulated losses at the end of the financial year are more than 50% of its Net Worth. Company has incurred cash losses in the current financial year and also in the immediately preceding financial year.
 11. There are no dues outstanding to Financial Institutions / Banks.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 15. The Company has not given any guarantees on behalf of others.
 16. The Company has not taken any term loans during the year.
 17. The Company has not made any short term borrowings during the year.
 18. The Company has not made any preferential allotment of shares during the year.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money by way of public issue during the year.
 21. As per the information and explanation given to us, no material fraud on or by the Company has been noticed during the year.

For ONKAR TANDON & CO.
Chartered Accountants
FRN: 000953C

ONKAR TANDON
Partner
M.No. 017232

Place: Kanpur
Dated: 26th May, 2012

VCCL LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

		(Amount Rs.)	
Particulars	Note No.	Figures as at 31 st March, 2012	Figures as at 31 st March, 2011
I EQUITY AND LIABILITY			
(1) Shareholders Funds			
(a) Share Capital	1	48,000,070	48,000,070
(b) Reserve & Surplus	2	(186,268,404)	(184,099,867)
(2) Current Liabilities			
(a) Trade Payables	3	–	1,238,572
(b) Other Current Liabilities	4	159,208,596	157,964,740
		<u>20,940,262</u>	<u>23,103,515</u>
II ASSETS			
(1) Non Current Assets			
Fixed Assets	5	20,492,061	22,551,009
(2) Current Assets			
(a) Trade Receivables	6	–	–
(b) Cash & Cash Equivalents	7	114,420	92,415
(c) Short-term Loans & Advances	8	333,781	460,091
		<u>20,940,262</u>	<u>23,103,515</u>
See other accompanying notes to the financial statements	12		

As per our report of even date attached

For ONKAR TANDON & CO.
Chartered Accountants (FRN- 000953C)

For and on behalf of the Board

ONKAR TANDON
Partner
(M. No. 017232)

VIMAL PRASAD GUPTA
*Company Secretary &
Compliance Officer*

R K SRIVASTAVA
Director

R K CHADHA
Director

Place : Kanpur

Date : 26th May, 2012

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		(Amount Rs.)	
Particulars	Note No.	Figures for the year ended on 31 st March, 2012	Figures for the period ended on 31 st March, 2011
I		-	-
Revenue From Operation		-	-
II		-	-
Other Income		-	-
III		-	-
Total Revenue (I+II)		-	-
IV			
EXPENDITURE			
Employee Benefits Expenses	9	1,042,992	697,857
Depreciation and Amortization Expenses		2,058,948	2,058,948
Other Expenses	10	353,234	383,777
Total Expenses		3,455,174	3,140,582
V		(3,455,174)	(3,140,582)
Profit / (Loss) before Exceptional items, Extraordinary items and Tax (III- IV)		(3,455,174)	(3,140,582)
VI	11	1,286,637	2,381,480
Exceptional Items		1,286,637	2,381,480
VII		(2,168,537)	(759,102)
Profit / (Loss) before Extraordinary items and Tax (V- VI)		(2,168,537)	(759,102)
VIII		-	-
Extraordinary Items		-	-
IX		(2,168,537)	(759,102)
Profit / (Loss) before Tax (VII- VIII)		(2,168,537)	(759,102)
X			
Less: Tax Expense:			
Current Tax		-	-
Deffered Tax		-	-
XI		-	-
Profit (Loss) for the period from Continuing Operation		-	-
XII		(2,168,537)	(759,102)
Profit (Loss) from Discontinuing Operation		(2,168,537)	(759,102)
XIII		-	-
Tax Expense of Discontinuing Operations		-	-
XIV		(2,168,537)	(759,102)
Profit (Loss) from Discontinuing Operation (XII- XIII)		(2,168,537)	(759,102)
Basic (Rs.)		(0.45)	(0.16)
Diluted (Rs.)		(0.45)	(0.16)
See other accompanying notes to the financial statements	12		

As per our report of even date attached

For ONKAR TANDON & CO.
Chartered Accountants (FRN- 000953C)

For and on behalf of the Board

ONKAR TANDON
Partner
(M. No. 017232)

VIMAL PRASAD GUPTA
Company Secretary &
Compliance Officer

R K SRIVASTAVA
Director

R K CHADHA
Director

Place : Kanpur

Date : 26th May, 2012

VCCL LIMITED

NOTES FORMING PART OF THE ACCOUNTS

NOTE 1 : SHARE CAPITAL

Particulars	No. of Shares	Figures as at 31 st March, 2012 (Rs.)	Figures as at 31 st March, 2011 (Rs.)
AUTHORISED			
Equity Shares of Rs. 10 each	10,000,000	100,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID UP			
Equity Shares of Rs. 10 each	4,800,007	48,000,070	48,000,070
TOTAL		48,000,070.00	48,000,070.00

Name of Shareholder	% of share holding		
Equity Share			
– LML Limited	32.00	1,536,000	1,536,000
– LML Holdings Limited	28.00	1,344,000	1,344,000

The reconciliation of the number of shares outstanding as at 31st March, 2012 is set out below:

Particulars		
Number of shares at the beginning	4,800,007	4,800,007
Add: Shares issued during the year	–	–
Number of shares at the end	4,800,007	4,800,007

NOTE 2 : RESERVES & SURPLUS

Capital Reserve:

Opening balance	135,508,730	135,508,730
Add: Addition During the year	–	–
	135,508,730	135,508,730
Less: Utilised during the year	–	–
Closing Balance	135,508,730	135,508,730

Central Government Investment Subsidy:

Opening balance	1,500,000	1,500,000
Add: Addition During the year	–	–
	1,500,000	1,500,000

NOTE 2 : RESERVES & SURPLUS (Contd. . .)

Particulars	Figures as at 31st March, 2012 (Rs.)	Figures as at 31st March, 2011 (Rs.)
Less: Utilised during the year	—	—
Closing Balance	<u>1,500,000</u>	<u>1,500,000</u>
Profit & Loss Account:		
Opening balance	(321,108,597)	(320,349,495)
Add: Transfer from Profit & Loss	(2,168,537)	(759,102)
	<u>(323,277,134)</u>	<u>(321,108,597)</u>
Less: Transfer to General Reserve	—	—
Closing Balance	<u>(323,277,134)</u>	<u>(321,108,597)</u>
TOTAL	<u><u>(186,268,404)</u></u>	<u><u>(184,099,867)</u></u>

NOTE 3 : TRADE PAYABLES

Trade Payables	—	1,238,572
TOTAL	<u>—</u>	<u>1,238,572</u>

NOTE 4 : OTHER CURRENT LIABILITIES

Unsecured

Other Liabilities		
Security Deposits	743,000	743,000
Expenses	1,301,749	1,419,044
Statutory Dues	118,491	106,826
Employees dues	2,305,679	2,245,622
Others	154,739,677	153,450,248
TOTAL	<u><u>159,208,596</u></u>	<u><u>157,964,740</u></u>

Note 5 : FIXED ASSETS

(Rs. in lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2011	Additions during the year	Deductions/ adjustments	As at 31.03.2012	Upto 31.03.2011	For the year adjustments	Deductions/ adjustments	Upto 31.03.2012	As at 31.03.2011	As at 31.03.2012
TANGIBLE ASSETS:										
Land Leasehold	2,134,311	-	-	2,134,311	-	-	-	-	-	2,134,311
Buildings	70,300,178	-	-	70,300,178	49,883,480	2,058,948	-	51,942,428	18,357,750	20,416,698
Plant & Machinery	75,667,952	-	-	75,667,952	75,667,952	-	-	75,667,952	-	-
Furniture, Fittings, Office Equipments and Computers	649,842	-	-	649,842	649,842	-	-	649,842	-	-
Vehicles	422,278	-	-	422,278	422,278	-	-	422,278	-	-
Total	149,174,561	-	-	149,174,561	126,623,552	2,058,948	-	128,682,500	20,492,061	22,551,009
Previous Year	149,174,561	-	-	149,174,561	124,564,604	2,058,948	-	126,623,552	22,551,009	24,609,957

Note : Lease hold land comprises of the land allotted by U.P. State Industrial Development Corporation Limited, the conveyance / lease deed in respect of which is pending for execution.

NOTE 6 : TRADE RECEIVABLES

Particulars	Figures as at 31 st March, 2012 (Rs.)	Figures as at 31 st March, 2011 (Rs.)
Unsecured, considered good		
(Debts outstanding For a period Exceeding six month)		
Considered good	-	-
Considered Doubtful	339,868	339,868
	339,868	339,868
Less: Provision for Doubtful Debts	339,868	339,868
	-	-
Others	-	-
TOTAL	-	-

NOTE 7 : CASH & CASH EQUIVALENTS

Balance with Scheduled Banks in Current Accounts	114,420	92,415
TOTAL	114,420	92,415

NOTE 8 : SHORT TERM LOANS AND ADVANCES

Unsecured, considered good		
Other Loans and Advances		
Advances Recoverable in cash or in kind or for value to be received		
Related Party	-	-
Others	153,781	280,091
Security Deposits	180,000	180,000
TOTAL	333,781	460,091

VCCL LIMITED

NOTE 9 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 st March, 2012 (Rs.)	Year ended 31 st March, 2011 (Rs.)
Salaries and Wages	1,036,992	691,857
Contribution to provident & other fund	3,888	3,888
Welfare expenses	2,112	2,112
TOTAL	1,042,992	697,857

NOTE 10 : OTHER EXPENSES

Payment to the Auditor		
As Auditor	28,090	27,575
For other services	6,619	–
Fees & Registration	29,645	39,030
Postage and Telephones	41,850	60,863
Printing and Stationery	42,997	41,895
Directors' Sitting Fee	20,000	20,000
Legal & Professional Expenses	88,729	94,194
Advertisement & Publicity	66,004	62,379
Miscellaneous Expenses	29,300	37,510
Bank Charges	–	331
TOTAL	353,234	383,777

NOTE 11 : EXCEPTIONAL ITEMS

Credit Balances / Provisions no longer required written back	1,286,637	4,416,905
Obsolete / Nonmoving Inventory written down	–	(2,035,425)
TOTAL	1,286,637	2,381,480

NOTE 12 : Other Notes on Accounts

1. Significant Accounting Policies

- (i) The accounts have been prepared on historical cost convention.
- (ii) **Fixed Assets and Depreciation**
 - (a) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and other incidental expenses.
 - (b) Depreciation is charged on a prorata basis at the SLM rates prescribed in Schedule XIV of the Companies Act, 1956. No write-off is being made in respect of leasehold land.
- (iii) **Inventories**
 - (a) Raw materials and components are valued at cost.
 - (b) Finished goods are valued at cost or market value, whichever is lower. Finished stock lying in the factory premises are valued exclusive of excise duty. Custom duty on material lying in Bond or in transit is accounted for at the time of clearance thereof.
- (iv) **Recognition of Income and Expenditure :**
All Income and Expenditure are accounted on an accrual basis.

2. Contingent Liabilities :

- (a) Claims against the Company not acknowledged as debts Rs.450000 (Previous year Rs.450000).
- (b) Sales Tax matters under appeal Rs. 4283617 (Previous year Rs. 4283617).

3. Loans and Advances, Sundry Debtors and balances in supplier and other accounts (with both debit and credit balances) are subject to confirmation and subsequent adjustments, if need be.

4. Related Party Disclosures:

- (i) There is no related party, viz., the requirements of Accounting Standard 18, issued by The Institute of Chartered Accountants of India. Though LML Limited is strictly not a 'related party', it is being so considered to make the financial statements more transparent.
- (ii) Transactions with LML Ltd. during the year have been as under :

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
(a) Security Service Charges	204000	–
(b) Miscellaneous expenses	18000	18000
(c) Outstanding (Payable) as on 31.03.2012	153842191	152508104

There is only one segment i.e. "Two Wheeler" for the Company. However, the Company's own manufacturing operations of two wheelers have remained suspended for some years. Final outcome about its future operations remains pending.

VCCL LIMITED

5. Earning Per Share (EPS)

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
a) Net Profit/(Loss) as per Profit & Loss Account	(2168537)	(759102)
b) Basic number of Equity Shares outstanding during the year (No. of shares)	4800007	4800007
	10	10
c) Nominal value of Equity Share (Rs.)	(0.45)	(0.16)
d) Basic/Diluted Earning per Share (Rs.) (a / b)		

6. The Company has substantial carried forward losses and unabsorbed depreciation. In view of uncertainty of sufficient future taxable income which may be available for its realization, the Deferred Tax Assets (Net) in accordance with Accounting Standard 22, issued by The Institute of Chartered Accountants of India, has not been recognized by way of prudence, as also in the previous year.

7. The matter of impairment of assets has been considered as at 31st March 2012. As per assessment made and valuation carried out by an independent professional, no impairment loss against fixed assets is expected.

8. In the absence of information from Sundry Creditors regarding status under The Micro, Small and Medium Enterprises Development Act, 2006, the liability of interest can not be reliably estimated, nor required disclosures can be made.

9. In view of carry forward losses, no Provision for Taxation has been made for the year.

10. The Company has been advised that the provisions of The Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to it.

11. Figures of the previous year have been regrouped and recasted wherever necessary to make them comparable.

Notes 1 to 12 forming part of the Balance Sheet and Profit and Loss Account.

For ONKAR TANDON & CO.
Chartered Accountants (FRN- 000953C)

For and on behalf of the Board

ONKAR TANDON
Partner
(M. No. 017232)

VIMAL PRASAD GUPTA
*Company Secretary &
Compliance Officer*

R K SRIVASTAVA
Director

R K CHADHA
Director

Place : Kanpur

Date : 26th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year ended 31.03.2012 RS.	Year ended 31.03.2011 RS.
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation and Extra-ordinary Items	(3455174)	(3140582)
Adjustment for :		
Depreciation	2058948	2058948
Operating Profit/(Loss) before Working Capital Changes	(1396226)	(1081634)
Adjustment for :		
Sundry Debtors	-	-
Inventories	-	2035425
Loans & Advances	126310	-
Current Liabilities	5284	(3297366)
Cash generated from Operations (Before extra-ordinary items)	(1264632)	(2343575)
Provision No longer Required/Unclaimed Written Back Inventory / Stores written down	1286637	4416905
	-	(2035425)
Net Cash from Operating Activities	22005	37905
B CASH FLOW FROM INVESTING ACTIVITIES		
Adjustment in Fixed Assets (Net)	-	-
Net Cash from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Net Cash from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash equivalents	22005	37905
Cash and Cash equivalents at the beginning of the year	92415	54510
Cash and Cash equivalents at the end of the year	114420	92415

For ONKAR TANDON & CO.
Chartered Accountants (FRN- 000953C)

For and on behalf of the Board

ONKAR TANDON
Partner
(M. No. 017232)

VIMAL PRASAD GUPTA
Company Secretary &
Compliance Officer

R K SRIVASTAVA
Director

R K CHADHA
Director

Place : Kanpur

Date : 26th May, 2012

VCCL LIMITED

Regd. Office : C-3, Panki Industrial Estate, Site I, Kanpur – 208 022 (U.P.)

PROXY FORM

DP Id*		No. of Shares	
Client Id.*		Master Folio No.	

I/We.....
 Resident of
 being member(s) of VCCL LIMITED, hereby appoint

Resident of
 or failing him/her
 Resident of

as my/our proxy to attend and vote for me/us and on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of VCCL Limited to be held on Saturday, 29th September, 2012 at its Registered Office at C-3, Panki Industrial Estate, Site-I, Kanpur 208 022 (U.P.) at 3.00 P.M. and any adjournment thereof.

AS WITNESS my/our hand(s) this day of 2012.

Signature(s) of the Shareholder(s).....	Affix Re.1/- Revenue Stamp	Signature of Proxy(ies).....
---	----------------------------	------------------------------

*Applicable for Investors holding shares in electronic form.

Note : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

VCCL LIMITED

Regd. Office : C-3, Panki Industrial Estate, Site I, Kanpur – 208 022 (U.P.)

ATTENDANCE SLIP

DP Id*		No. of Shares	
Client Id*		Master Folio No.	

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of VCCL Limited held on Saturday, 29th September, 2012 at C-3, Panki Industrial Estate, Site-I, Kanpur 208 022 (U.P.) at 3.00 P.M.

Full Name(s) of Member(s)

Full name of attending member/proxy

*Applicable for Investors holding shares in electronic form.

Signature of Member/Proxy
 (To be done at the Entry Point)

Note : Please fill in block letters, except signature. Please bring your copy of the Annual Report in the Meeting for convenience.

BOOK – POST
PRINTED MATTER

If undelivered, please return to :
Secretarial Department
VCCL LIMITED
C-10, PANKI INDUSTRIAL ESTATE, SITE-II,
KANPUR - 208 022 (U.P.)
PH. 0512-6660300