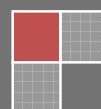




# **Vaishno Cement Company Ltd.**

Annual Report 2009-2010





# Vaishno Cement Company Limited

## BOARD OF DIRECTORS

R. K. Jaiswal  
Manoj Jaiswal  
Hitesh Jaiswal  
Jairaj Jaiswal  
Pramod Agarwal  
Rama Shankar Thakur

Chairman  
Executive Director  
Executive Director  
Independent Director  
Independent Director  
Independent Director

## 23<sup>rd</sup> *Annual* Report 2009 - 2010

## COMPLIANCE OFFICER

Mr. Chandresh N. Shah

## AUDITORS

M/s. J. Gupta & Co.  
Chartered Accountant

## BANKERS

State Bank of India

## REGISTERED OFFICE

Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

## ANNUAL GENERAL MEETING

Date : 30<sup>th</sup> September, 2010  
Time : 11.30 A.M.  
Venue : Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

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**Members are requested to bring their copy of Annual Report at the time of Meeting**

## Notice

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of **VAISHNO CEMENT COMPANY LIMITED** will be held on Thursday, 30<sup>th</sup> September, 2010 at 11.30 A.M. at : Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001 to transact following business as:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2010.
2. To appoint Director in place of Mr. Hitesh Jaiswal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

### **Notes :**

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2010 to 29th September 2010 (both days inclusive).
1. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM .
2. The trading in Equity Shares of Company was suspended from trading due to non-compliance of Listing Agreement. The Company has made an Application to BSE for revocation of trading suspension and has filed all requisite documents with BSE.
3. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
4. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to the Company.
5. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
6. Members are requested to bring copies of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
8. Members are requested to quote Folio Number/DPID & Client ID in their correspondence.
9. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2010-2011 is yet to be paid.

Kolkata, September 2, 2010

By order of the Board  
**For VAISHNO CEMENT COMPANY LIMITED**

### **Registered Office :**

Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

**R. K. JAISWAL**  
Chairman

## Directors' Report, Management discussion & Analysis

To The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2010.

Financial Results	Year Ended	(Rs. in Lacs) Year Ended
	31.03.2010	31.03.2009
Income	0.00	1.26
Profit before Tax & extraordinary item	-804.42	-6.02
Less : Provision for Taxation	0.00	0.00
Profit after Tax	-804.42	-6.02
Add: Profit/(Loss) brought forward from Previous Year	-80.18	-74.16
Balance carried forward	-884.61	-80.18

### DIVIDEND

Due to severe Loss due to sale of its Investments, Plant & Machinery as well as factory premises during the year, your Directors do not propose any dividend for the year under review.

### PERFORMANCE & CURRENT YEAR PROSPECTS

The Company was operating in the segment of Cement manufacturing and during the year entire Factory, Plant & Machinery as well as Investments was sold out and thus there was no business activity during the year under review. During the year, the Company has earned loss of Rs. 884.61 Lac due to the same which was totally unexpected and now the Company is looking to diversify its business into some other segment.

### BUSINESS SEGMENT

The Company was in no business during the year under review apart from some investing activities in shares and securities and thus unable to comment exactly on the topic.

### RISK & CONCERNS

In current scenario the Company is not in any business and hence there is no question of Risk and concerns in its line of business. However the Company is looking various aspects to invest its money, if the same is being recovered and your Company is hopeful to be succeeded. Though, if the Company fails to recover its money, the Company is having fear that they will not be able to deliver anything to its shareholders.

### OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE

During financial year 2009-10, there were almost nil business activities apart from doing investment activities in shares and securities.

Currently, your Company is in the business of cement manufacturing. The PBT of the Company stood at Rs. (884.61) Lac which is hopeless. The Company is trying hard to sale off existing business and then to enter into new business arena.

### RISK MANAGEMENT & CONCERNS

The objective of risk management is to balance the trade-off between risk and returns and ensure optimum risk adjusted return on capital. It entails the identification, measurement and management of risks across the various businesses of the Company. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an Independent risk function that ensures that the

Company operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Company continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Company had developed internal systems for assessing capital requirements keeping in view the business objectives.

The Company has identified main risks viz. Credit Risk, Market Risk, Liquidity Risk and Operational Risk for its business, which needs to be addressed at this point of time.

The Company has framed the appropriate business policies to tackle the challenges of above risks and is continually reviewing and modifying these policies in order to face the challenges and come out with the help of Company's business policies.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

VCCL has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

The Company was having staff strength of 3 people during the year under review however the Company is recruiting more experienced employees during financial year 2009-10. Once the process of new recruitment will be over, the Company will be able to comment on this.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

## **MANAGEMENT**

There is no Change in Management of the Company during the year under review.

## **DIRECTORS**

There is no change in management during the year under review.

During the year Mr. Nirmal Kr. Bothra has resigned from the Board 22<sup>nd</sup> Jan 2010.

## **INFORMATION TECHNOLOGY**

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

## **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

## **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2009-10, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

## **STATUTORY INFORMATION**

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

## **AUDITORS**

The Auditors M/s J. Gupta & Co., Chartered Accountants, Kolkata, West Bengal holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint Auditors and fix their remuneration.

## **COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

## **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company is having no business other than the business of investing activities during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2010, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

## **REPORT ON CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality and living standard of the employees and their families and also to the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

## **APPRECIATION**

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, September 2, 2010

By order of the Board  
**For VAISHNO CEMENT COMPANY LIMITED**

### **Registered Office :**

Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

**R. K. JAISWAL**  
Chairman



## Annexure to the Directors' Report

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

1. To enhance the long term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques and compliance with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as lenders, creditors, customers, suppliers and employees.
2. To identify and recognize the Board of Directors and the Management of the Company as the principal instruments through which good corporate governance principles are articulated and implemented. Further, to identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.
3. VCCL has during its way towards growth, adopted the VCCL Code of Conduct and VCCL Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

### BOARD OF DIRECTORS

#### Composition of Directors

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 7 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The Board of Directors met 5 times on 30<sup>th</sup> June, 31<sup>st</sup> July, and 31<sup>st</sup> October in year 2009 and on 22<sup>nd</sup> and 29<sup>th</sup> January in the year 2010 during the financial year 2009-2010.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
R. K. Jaiswal*	Managing Director	5	Yes	2	1	Nil
Pramod Agarwal	Independent Director	5	Yes	2	1	Nil
Ramashankar Thakur	Independent Director	5	Yes	2	1	Nil

\*Chairman of the Board

### AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of Vaishno Cement Company Ltd., (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

### **Authority and Responsibilities**

1. The Audit Committee reviews the Company’s financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company’s accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

The Committee Members met 4 times on 30<sup>th</sup> June, 31<sup>st</sup> July, and 31<sup>st</sup> October in year 2009 and on 29<sup>th</sup> January in the year 2010 during the financial year 2009-2010.

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Mr. R. K. Jaiswal	4	4
Mr. Pramod Agarwal	4	4
Mr. Rama Shankar Thakur*	4	4

\*Chairman of Committee

### **REMUNERATION COMMITTEE**

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

### **Details of Remuneration paid to Directors**