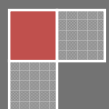




# Vaishno Cement Company Ltd.

Annual Report 2011-2012



# Vaishno Cement Company Limited

## BOARD OF DIRECTORS

R. K. Jaiswal  
Pramod Agarwal  
Rama Shankar Thakur

Chairman  
Independent Director  
Independent Director

## 25<sup>th</sup> Annual Report 2011 - 2012

## COMPLIANCE OFFICER

Mr. Chandresh N. Shah

## AUDITORS

M/s. Anil Sanklecha & Co.  
Chartered Accountant

## BANKERS

State Bank of India

## REGISTERED OFFICE

Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

## ANNUAL GENERAL MEETING

Date : 27<sup>th</sup> September, 2012  
Time : 11.30 A.M.  
Venue : Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

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- ☞ Notice
- ☞ Directors' Report
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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 25<sup>th</sup> Annual General Meeting of the members of **VAISHNO CEMENT COMPANY LIMITED** will be held on Thursday, 27<sup>th</sup> September, 2012 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 2012.
2. To appoint Director in place of Mr. Pramod Agarwal, 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. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. 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.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2012 to 27<sup>th</sup> September 2012 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is given in the "Shareholders' Information" section of Annual Report.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [vaishno.cement@gmail.com](mailto:vaishno.cement@gmail.com) for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
8. 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. Members are requested to intimate change in their address immediately to M/s S. K. Computers, the Company's Registrar and Share Transfer Agents, at their office at 34/1A, Sudhir Chatterjee Street, Calcutta - 700 006.
9. Members are requested to intimate change in their address immediately to M/s S. K. Computers, the Company's Registrar and Share Transfer Agents, at their office at 34/1A, Sudhir Chatterjee Street, Calcutta - 700 006.
10. 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 M/s S. K. Computers, Registrar and Share Transfer Agents of the Company, at their address given above.
11. 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.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s S. K.

Computers, Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.

13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
16. The Equity shares of the Company are listed on BSE, CSE, DSE & JSE and Listing Fees for the financial year 2011-2012 have been paid to both BSE & CSE.
17. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. S. K. Computers.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

Kolkata, August 22, 2012

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

To The Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2012.

<b>Financial Results</b>	<b>Year Ended</b>	(₹ in Lacs) Year Ended
	<b>31.03.2012</b>	<b>31.03.2011</b>
Income	<b>7.33</b>	0.00
Profit before Tax & extraordinary item	<b>3.12</b>	-0.21
Less : Provision for Taxation	<b>0.94</b>	0.00
Profit after Tax	<b>2.18</b>	-0.21
Add: Profit/(Loss) brought forward from Previous Year	<b>-884.82</b>	-884.61
Balance carried forward	<b>-882.64</b>	-884.82

### BUSINESS OPERATIONS

During financial year 2011-12, there were almost nil business activities apart from doing investment activities in shares and securities.

Your Company was in the business of cement manufacturing which was apparently shut down due to lack of working capital as well as looking to the requirements of new machineries, for which the Company is not having enough financial strength.

The PBT of the Company stood at ₹ 3.12 Lac and PAT stood at ₹ 2.18 Lac which is not as per expectation of Company management. The Company is trying hard to bring some more fund or capital in order to enter into the new business activities which have been identified by the management.

### FUTURE PLANS

The Company is looking for various aspects to arrange for its working capital; by way of loan from Bank or Corporate Houses, to raise money by way of issue of further shares or to bring into some strategic partners who can invest into the Company to bring back its old glory.

### DIVIDEND

As the Company was in not in any business during the year and due to carried forward losses, the Company do not recommends any dividend during the year under review.

### SUBSIDIARY COMPANY

The Company does not Subsidiary Company.

### MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

### MANAGEMENT

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

### DIRECTORS

There is no change in composition of Board 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 2012, 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.

### **STATUTORY INFORMATION**

The Company being basically in the business of Capital & Money Market, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

### **INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has invested its money for acquiring latest Computer hardware and software.

### **RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

### **AUDITORS**

The Auditors M/s Anil Sanklecha & Co., Chartered Accountants, Mumbai 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**.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **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.

### **REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

### **APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, August 22, 2012

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

#### **Registered Office :**

Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

**R. K. JAISWAL**  
Chairman

## Management Discussions & Analysis

The growth in global economy during 2011-2012 was affected due to impact of high oil prices and certain other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in the Emerging Market Economies (EMEs) to contain inflationary pressures. The global market was also disturbed by perceptions of inadequate solutions to the Euro zone sovereign debt problem, exposure of banks to Euro zone and renewed fears of recession. However, during the last quarter of 2011, the immediate financial market pressures in the Euro zone have been alleviated to some extent, by the European Central Bank (ECB) injecting liquidity of more than one trillion Euros through the two long term refinancing operations. Growth in the Euro zone, however, was negative in quarter IV. The Emerging and Developing Economies (EDEs) are showing signs of slowdown in growth. As a result, the global growth for 2012 and 2013 is expected to be lower than anticipated earlier.

In US, apart from fiscal concerns, high unemployment and weak housing markets continued to weigh on consumer confidence and private consumption. The recent macroeconomic data for the US economy show some positive signs. In particular, the labour market conditions have improved.

Indian Economy has witnessed a disturbing turn of events. During the year under review, the Indian Economy recorded a growth of 6.9 percent as compared to 8.4 percent in previous year. Both foreign and domestic investors became jittery in the last few months owing to persistent inflation, fiscal deficits, and lack of meaningful reforms in the Indian economy and continued global uncertainty that lead to lower capital inflows. This has also resulted in sharp depreciation of rupee against US dollar from a level of INR 43.94 per USD on 27th July, 2011 to an all-time low of INR 54.23 per USD on 15th December, 2011.

Rupee depreciation has also resulted in an increase in fuel prices as well as commodity prices. High volatility in Forex Market prompted RBI to take several measures for augmenting foreign exchange reserves and for curbing the speculation in foreign exchange.

Reserve Bank of India made adjustments 13 times in policy rates since March 2010 to control inflation and this lead to an increase in lending rate for commercial borrowings and thus resulting in lower growth in the Indian Economy.

However in March 2012, Reserve Bank of India reduced the CRR from 5.5 percent to 4.75 percent to take care of structural liquidity deficit. Further on 17th April, 2012 Reserve Bank of India cut the repo rate by 50 bps to 8 percent with immediate effect, reverse repo rate, with a spread of 100 bps below repo rate adjusted to 7 percent. This decision to cut the rate was due to growth decelerating significantly to 6.1 percent in the 3rd quarter of the last year and also due to WPI inflation moderating to below 7 percent by March 2012.

### REVIEW OF OPERATIONS

During the Financial Year 2011-2012, the Company registered a gross income of ₹ 3.12 Lac as compared to ₹ -0.21 Lac in previous financial year. PBIT Margin during the year remains ₹ 3.12 Lac in comparison to last years' figure of ₹ -0.21 Lac whereas Net Profit remains at ₹ 2.18 Lac in comparison to last years' figure of ₹ -0.21 Lac.

### BUSINESS SEGMENT

The Company was in no business during the year under review apart from some broking activities of Buy/Sale of Land & Buildings and thus unable to comment exactly on the topic.

### OPPORTUNITIES & THREATS



The Fundamental drives of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian Policy responses to the concerns noted above, are likely to make 2011-12 a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial year and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economics. Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rise to quell rising inflation.

In India, inflationary pressure are likely to persist and hence result in a further, though moderate, monetary policy tightening the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

## **RISK MANAGEMENT**

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

## HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, 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 total number of employees on the rolls of the Company as on 31st March 2012 was 2 as against 2 as at 31st March 2012.

## CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

## CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## 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.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except re-instatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Kolkata, August 22, 2012

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

**Registered Office :**  
Vaishno Chambers  
6, Brabourne Road  
Kolkata-700 001

**R. K. JAISWAL**  
Chairman