



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

25th *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 : 27th September, 2012
Time : 11.30 A.M.
Venue : Vaishno Chambers
6, Brabourne Road
Kolkata-700 001

Contents

- ☞ Notice
- ☞ Directors' Report
- ☞ Management Discussion & Analysis
- ☞ Report on Corporate Governance
- ☞ Auditors' Certificate on Corporate Governance
- ☞ Secretarial Compliance Report
- ☞ Auditors' Report
- ☞ Balance Sheet
- ☞ Statement of Profit & Loss Account
- ☞ Statement of Cash Flow
- ☞ Notes on Financial Statements

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

Notice

Notice is hereby given that the 25th Annual General Meeting of the members of **VAISHNO CEMENT COMPANY LIMITED** will be held on Thursday, 27th 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 20th September 2012 to 27th 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 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 25th Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2012.

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

Annexure to the Directors' Report

Corporate Governance is the set of systems and practices to ensure that the affairs of the Company are being managed in a way that ensures accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and societal expectations.

Vaishno Cement Company Limited (VCCL) is committed to international compliance standards, to ensure checks and balances between the board and management as well as a sustainable approach to value creation. In defining the management structure, organisation and processes of the Company, the corporate governance principles aim to provide stakeholders value and transparency to promote sustainable long-term success. This is demonstrated in shareholders returns, high credit ratings, governance processes and customer focused work environment. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

BOARD OF DIRECTORS

Composition of Directors

The Board has three members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 5 times on 11th May, 8th August, 3rd September and 14th November in year 2011 and on 10th February in the year 2012 during the financial year 2011-2012.

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
Rama Shankar 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 and an Executive 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

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 upon 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; and
7. The appointment, removal and terms of remuneration of the Chief internal auditor.

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new “Terms of Reference” of the Audit Committee were approved by the Board of Directors at its meeting held on 8th February 2011.

The Committee Members met 4 times on 8th August, 3rd September and 14th November in year 2011 and on 10th February in the year 2012 during the financial year 2011-2012.

Name	Number of Meetings Held	Meetings Attended
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

The payment of salary to Directors was Nil during the financial year 2011-2012.

No Stock option has been allotted to any of the Directors during the financial year 2011-2012.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. R. K. Jaiswal; Chairman with two other Independent Directors.

The Committee Members met 4 times on 8th August, 3rd September and 14th November in year 2011 and on 10th February in the year 2012 during the financial year 2011-2012.

Name	Number of Meetings Held	Meetings Attended
Mr. R. K. Jaiswal*	4	4
Mr. Pramod Agarwal	4	4
Mr. Ramashankar Thakur	4	4

*Chairman of Committee

INVESTOR GRIEVANCE COMMITTEE

The Board of VAISHNO CEMENT COMPANY LIMITED has constituted a Committee of Directors, which inter-alia also functions as “Shareholders/Investors” Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors’ grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company attends to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders’/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

COMPLIANCE OFFICER

The Company has appointed Mr. Chandresh N Shah as a Compliance Officer within the meaning of Listing Agreement.

COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED

The Committee Members met 4 times 8th August, 3rd September and 14th November in year 2011 and on 10th February in the year 2012 during the financial year 2011-2012.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
-------------	-----------------	-----------------	--------------------------

Mr. Pramod Agarwal*	Chairman	Independent, Non-Executive	4
Mr. R. K. Jaiswal	Member	Executive – Wholetime	4
Mr. Rama Shankar Thakur	Member	Independent, Non-Executive	4

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2012.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
24 th Annual General Meeting	30 th September 2011, 11.30 AM	Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001
23 rd Annual General Meeting	30 th September 2010, 11.30 AM	Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001
22 nd Annual General Meeting	30 th September 2009, 11.30 AM	Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001

LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

No Extra-Ordinary General Meetings have been held during last three financial years.

POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions have been passed during previous three financial years.

BOARD DISCLOSURES

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) **Secretarial Audit Report** : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The "Secretarial Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL. However, since the Company yet to establish connectivity with CDSL, all the Equity Shares of the Company are in physical form and are tallied with Paid-up Capital of the Company.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2011-12 except filing of information/documents to Exchanges in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement except filing of information / documents on time.

- e) The financial statements of the Company are unqualified.
- f) The Company has not adopted Whistle Blower Policy. However Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.vccl.in
- Official News releases are available on announcement section of www.bseindia.com as well as on its website www.vccl.in
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 25th Annual General Meeting for the financial year ended on 31st March 2012 is as follows :-

Day & Date : Thursday, 27th September 2012
 Time : 11.30 A.M.
 Venue : Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001

b. Financial Year : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 st Quarter ended on 30 th June 2012	Mid of August, 2012
Financial Reporting of 2 nd Quarter ended on 30 th September 2012	Mid of November, 2012
Financial Reporting of 3 rd Quarter ended on 31 st December 2012	Mid of February 2013
Financial Reporting of 4 th Quarter ended on 31 st March 2013	May 2013
Date of Annual General Meeting	During September 2013

d. Date of Book Closure : September 20 to September 27, 2012. (Both days inclusive)

e. Dividend Payment Date : No Dividend has been recommended for the year under review.

f. Listing of Shares : BSE, CSE, DSE & JSE

g. Listing Fees : Company is yet to pay Annual Listing Fees to DSE & JSE.

h. Stock Code & ISIN : Scrip Code 526941 on BSE.
 ISIN – INE116E01018 (only on NSDL)

i. **Market Price Data** : Trading in Equity Shares of the Company were suspended from trading during the year under review. The Company is in process of filing application with BSE for revocation of suspension with all requisite documents.

j. **Registrar & Share Transfer Agent.**

M/s. S. K. Computers, Kolkata has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. S. K. Computers

34/1A, Sudhir Chatterjee Street, Calcutta - 700 006

Tel : 033 – 22196797, Fax - 033 – 22194815

k. **Share Transfer Systems**

The Share transfer is processed in house and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. **Shareholding Pattern as on 31st March 2012**

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	27,00,000	30.17
Indian Bank	0	0.00
Others (NRI)	336900	3.76
Private Corporate Bodies	83200	0.93
Indian Public (including HUF & Clearing Members)	5830100	65.14
Total	8950200	100.00

m. **Dematerialization of Equity Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with NSDL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded on Bombay Stock Exchange Ltd. 9.33% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2012.

n. **Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

o. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

p. Brief Resume of the Directors Seeking Re-Appointment

Mr. Pramod Agarwal, Graduate, is having vast knowledge and rich experience of above 23 years in Financial & Income Tax related activities as well as expertise in Accounting & Taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Pramod Agarwal for the office of Director of the Company.

Mr. Pramod Agarwal does not hold any share in his own name or in the name of his relatives.

Mr. Pramod Agarwal is not having any Directorship and Committee Chairmanship in any other Listed and/or Public Limited Cos.

q. Details on use of Public Funds Obtained in the last three years :

No fund has been raised by way of Public, Right of Preferential Issue or any other mode during last three financial years.

r. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

s. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Chandresh N. Shah - vaishno.cement@gmail.com

t. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

u. Address for Correspondence

VAISHNO CEMENT COMPANY LIMITED

Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001

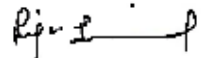
Tele: 0332225 3542 / 4407, Fax : 033-2225 7463

Annexure I

Declaration by the Managing Director under Clause 49 of the Listing Agreement

To
VAISHNO CEMENT COMPANY LIMITED
Vaishno Chambers
6, Brabourne Road
Kolkata-700 001

In accordance with Clause 49 sub clause I(D) of the Listing Agreement with the Stock Exchanges, I, R. K. Jaiswal, Chairman of Vaishno Cement Company Limited hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conducts.



R. K. Jaiswal
Chairman

Kolkata, August 22, 2012

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To
The Members of
VAISHNO CEMENT COMPANY LIMITED

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Compliance Certificate

To,
The Members,
VAISHNO CEMENT COMPANY LIMITED
Vaishno Chambers
6, Brabourne Road
Kolkata-700 001

We have examined the compliance of Corporate Governance by VAISHNO CEMENT COMPANY LIMITED for the year ended on 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the 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 effectiveness with which the management has conducted the affairs of the Company.

For **Anil Sanklecha & Co.**
Chartered Accountants

Place: Kolkata
Date: August 22, 2012

Anil Sanklecha
Proprietor
M. No. 099162

Auditors' Report for the year ended 31st March 2012

The Shareholders,
VAISHNO CEMENT COMPANY LIMITED,
KOLKATA.

1. We have audited the attached Balance Sheet of VAISHNO CEMENT COMPANY LIMITED, Kolkata, as at 31st March 2012 and also Profit & Loss Account and the cash flow statement 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
 - v) On the basis of written representations from the directors of the company, 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.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes 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:
 - a. In the case of Balance Sheet of the State of Affairs of the Company as at 31st March 2012 and
 - b. In the case of Profit & Loss Account, of the Loss for the year ended on that date.
 - c. In the case of cash flow statement, of the cash flows for the year ended on that date.

For **Anil Sanklecha & Co.**
Chartered Accountants

Place: Kolkata
Date: August 22, 2012

Anil Sanklecha
Proprietor
M. No. 099162

Secretarial Compliance Report

The Board of Directors,
M/s. VAISHNO CEMENT COMPANY LIMITED

We have examined the registers, records and papers of M/s. VAISHNO CEMENT COMPANY LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2012.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has not declared dividend and thus is not required to make payment of Dividend in compliance with the provisions of section 205 of the Act during the year.
9. The Company has not paid remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
13. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 299 of the Act.
14. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
15. The Company has not issued any duplicate share certificate during the financial year.
16. The Company has complied with the provisions of section 372A of the Act.
17. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;

- b) Was not required to deposit amount in a separate Bank Account as the Company has not declared Dividend during the year.
 - c) Was not required to post warrants to members of the Company as the Company has not declared Dividend during the year.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Has duly complied with the requirement of section 217.
18. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
 19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
 20. The Company has not issued any Shares, Debentures or other Securities during the financial year.
 21. The Company has not bought back any share during the financial year.
 22. There was no redemption of preference shares or debentures during the financial year.
 23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
 25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2012.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
 30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
 31. The Company has not received any money as security from its employees during the financial year 2011-12.

For **P. D. Pandya & Associates**
Company Secretaries

Place : Mumbai
Date : June 30, 2012

Paresh D. Pandya
Proprietor
C. P. No. 4869

Annexure to the Auditors' Report

Referred to in paragraph 3 our report of even date on the accounts for the year ended 31st March 2012 of VAISHNO CEMENT COMPANY LIMITED, KOLKATA.

1. In respect of its Fixed Assets -

- a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. Fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- c. No substantial part of Fixed Assets has been disposed off during the year, and it has not affected the going concern.

2. In respect of its Inventories -

- a. Physical verification of Inventory has been conducted at reasonable intervals by the Management.
- b. Procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. There are no inadequacies in such procedures that should be reported.
- c. Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

3. In respect of Loans granted and taken to/from parties covered in the register maintained u/s 301 of the Companies Act 1956 -

- a. The company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause III(b) to III(d) of Paragraph 4 of the Order are not applicable to the Company for the current year.
- b. N.A. whether the rate of Interest and other terms and conditions of loans given by the Company, secured or unsecured, are prima facie prejudicial to the interest of the Company.
- c. N.A. whether receipts of the principal amount and interest are also regular.
- d. N.A. if overdue amount is more than ₹ 1 Lac whether reasonable steps have been taken by the Company and recovery of the principal and interest.
- e. The company has not taken any loans from the companies covered in the register maintained under section 301 of the Companies Act, 1956
- f. In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions for such loans are prima facie prejudicial to the interest of the Company.
- g. The Loans are repayable on demand. As informed, lenders have been demanded repayment of any such loans during the year, thus there has been no default on the part of the Company. The Loans given are interest free.

4. In respect of internal control -

In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

5. In respect of contacts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956 -

- a. In our opinion, and according to information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act 1956, have been entered in the Register required to be maintained under that section.
- b. In our opinion, and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956, are made at price which is reasonable having regard to prevailing market prices at relevant time.

6. In respect of deposits from public -

The Company has not accepted any deposits from the public under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.

7. In respect of Internal Audit System -

In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.

8. In respect of maintenance of cost records -

We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209 (i)(d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. In respect of statutory dues -

- a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income-tax, Wealth Tax, Sale-tax, Service Tax, Custom Duty, Excise Duty, CESS and any other statutory due applicable to it;
- b. According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty, sales tax and CESS and excise duty, which have been deposited on account of any dispute.

10. In respect of Accumulated Losses and Cash Losses -

The accumulated losses of the company at the end of financial year are not more than fifty per cent of its net worth.

11. In respect of dues to financial institutions / banks / debentures -

In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.

12. In respect of loans and advances granted on the basis of security -

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. In respect of provisions applicable to chit fund -

In our opinion and according to information and explanations given to us, the company is not a Chit Fund, Nidhi, Mutual Benefit Fund or Society. Accordingly the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

- a. Not Applicable
- b. Not Applicable
- c. Not Applicable
- d. Not Applicable

14. In respect of dealing/trading in shares, securities, debentures and other investments -

According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debenture and other investments. Accordingly the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.

15. In respect of guarantee given for loans taken by others -

On the basis of records examined by us and as per information provided by the Management, we are of the opinion that the company has given guarantees for loans taken by others from bank or financial institutions.

16. In respect of applications of term loans -

In our opinion, the term loan raised by the Company during the year has been applied for the purpose for which it was raised.

17. In respect of fund used -

Based on the overall examination of the Balance Sheet of the Company and a review of the consolidated Fund Flow statement for the year, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.

18. In respect of Preferential Allotment of Shares -

The Company has not made any Preferential Allotment of Shares to parties and Companies covered in the Register maintained u/s 301 of the Act, during the year.

19. In respect of securities created for debentures -

The company has not issued any debenture during the year. Therefore provisions of Clause (xix) of paragraph 4 of the order are not applicable to the Company.

20. In respect of end use of money raised by Public Issues -

The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.

21. In respect of fraud -

According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

For **Anil Sanklecha & Co.**
Chartered Accountants

Place: Kolkata
Date: August 22, 2012

Anil Sanklecha
Proprietor
M. No. 099162

VAISHNO CEMENT COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2012

(All amount in Rupees except Share data and unless otherwise stated)

PARTICULARS	Note No.	31.03.2012 ₹	31.03.2011 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	88,753,250	88,753,250
Reserves and Surplus	2.2	(88,264,250)	(88,481,867)
		489,000	271,383
Share Capital Money Pending Allotment		-	-
NON-CURRENT LIABILITIES			
Long Term Borrowings	2.3	1,198,836	1,198,836
CURRENT LIABILITIES			
Trade Payables	2.4	370,877	370,877
Other Current Liabilities	2.4	1,307,516	1,300,867
Short-Term Provision	2.5	94,500	-
		1,772,893	1,671,744
TOTAL		3,460,729	3,141,963
ASSETS			
NON- CURRENT ASSETS			
Fixed Assets			
Tangible Assets		-	-
Non-Current Investments		-	-
Long Term Loans & Advances	2.6	1,449,340	1,449,340
Other Non-Current Assets		-	-
		1,449,340	1,449,340
CURRENT ASSETS			
Stock-in-Trade		-	-
Inventories		-	-
Trade Receivables	2.7	220,000	245,000
Cash and Cash Equivalents	2.8	16,625	15,859
Short-term loans and advances	2.9	1,431,764	1,431,764
Other Current Assets	2.10	343,000	-
		2,011,389	1,692,623
TOTAL		3,460,729	3,141,963

Significant Accounting Policies and Notes on Accounts 1 to 2.18

AS PER OUR REPORT OF EVEN DATE

FOR ANIL SANKLECHA & CO.
CHARTERED ACCOUNTANTS

For & On behalf of the Board

ANIL SANKLECHA
PROPRIETOR
M. No : 099162
ICAI Registration No. 017767N

DIRECTOR

DIRECTOR

Place : Mumbai
Date : 22nd August 2012

VAISHNO CEMENT COMPANY LIMITED
Statement of Profit & Loss Account for the Year ended 31st March 2012
(All amount in Rupees except Share data and unless otherwise stated)

PARTICULARS	Note No.	31.03.2012 ₹	31.03.2011 ₹
INCOME			
Revenue from operations		-	-
Other Income			
Brokerages & Commission Received		733,000	-
TOTAL INCOME		733,000	-
EXPENSES			
Changes in Inventories of Finished Goods, Work in Progress & Closing Stock		-	-
Purchase of Stock		-	-
Employee Benefit Expenses	2.11	123,000	-
Depreciation Expenses		-	-
Finance Cost	2.12	1,883	-
Other Expenses	2.13	296,000	21,343
TOTAL EXPENSES		420,883	21,343
PROFIT BEFORE TAXATION		312,117	(21,343)
Tax Expense:			
Current tax		94,500	-
Deferred Tax		-	-
NET PROFIT FOR THE YEAR		217,617	(21,343)
Earnings per equity share:			
Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each)		0.02	(0.00)

Significant Accounting Policies & Notes to Financial Statements

AS PER OUR REPORT OF EVEN DATE 1 to 2.18

FOR ANIL SANKLECHA & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board

ANIL SANKLECHA
PROPRIETOR
M. No : 099162
ICAI Registration No. 017767N

DIRECTOR

DIRECTOR

Place : Mumbai
Date : 22nd August 2012

VAISHNO CEMENT COMPANY LIMITED

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2012

(In ₹)

	31.03.2012	31.03.2011
A. Cash Flow from Operating Activities		
<i>Net Profit before tax and extraordinary Items</i>	312,117	(21,343)
<i>Adjustments for</i>		
Depreciation	-	-
Dividend	-	-
Interest Received	-	-
<i>Operating profit before working capital changes</i>	I 312,117	(21,343)
<i>Adjustments for Capital Changes</i>		
Decrease (Increase) in Other Current Assets	(343,000)	-
Decrease (Increase) in Trade Receivables	25,000	-
Decrease (Increase) in Loans & Advances	-	-
Decrease (Increase) in Trade Payables & Provisions	6,649	5,515
<i>Cash Generated from operations</i>	II (311,351)	5,515
Net Cash From Operating Activities	I+II 766	(15,828)
Taxes (Paid) / Refund Received	III -	-
Cash Flow before Extra-Ordinary Items	I+II+III 766	(15,828)
Xtra Ordinary Items	-	-
Net Cash Flow from Operating Activities	(A) 766	(15,828)
[I +II+III]		
B. Cash Flow From Investing Activities		
Decrease / (Increase) in Fixed Assets	-	-
Decrease / (Increase) in Investments	-	-
Dividend Received	-	-
Interest Received	-	-
Net Cash from Investing Activities	B -	-
C. Cash Flow From Financing Activities		
Proceeds from Preferential Issue	-	-
Net Cash used in Financing Activities	C -	-
D Net Increase in Cash & Cash Equivalents	D 766	(15,828)
Opening Balance of Cash & Cash Equivalents	15,859	31,687
E Closing Balance of Cash & Cash Equivalents	E 16,625	15,859

For and on behalf of the Board

Mumbai, August 22, 2012

Director **Director**

For Anil Sanklecha & Co.
Chartered Accountants

Mumbai, August 22, 2012

Anil Sanklecha
Proprietor
Membership No. 099162
ICAI Registration No. 017767N

VAISHNO CEMENT COMPANY LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

Financial Statements have been prepared under the historical cost convention and in accordance with the provisions of Companies Act, 1956. Accounting Policies not referred to otherwise are consistent and are in accordance with the generally accepted accounting Principles in India.

1.2 Use of Estimates

The preparation of Financial Statements are in conformity with generally accepted accounting principles requires estimates and assumptions to be made to that effect the reported amount of Assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

1.3 Fixed Assets

The Company is not having any Fixed Assets during the year under review.

1.4 Depreciation

As the Company is not having any Fixed Asset during the year, the method of charging Depreciation is not applicable to the Company.

1.5 Investments

The Company is not having any Investment during the year.

1.6 Inventories

The Company is not having any Inventories during the year.

1.7 Taxes on Income

Provision for Taxation is made on the basis of estimated taxable income for the period at current rates. Tax expenses comprises of both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable /recoverable in respect of taxable income/loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.

1.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.9 Revenue Recognition

Items of Income and Expenditure are recognized and accounted for on Accrual basis.

1.10 Contingent Liability, if any, are disclosed by way of Notes.

VAISHNO CEMENT COMPANY LIMITED

Notes on Financial Statements for the year ended March 31, 2012

2.1 SHARE CAPITAL

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	10,000,000	100,000,000	10,000,000	100,000,000
Issued & Subscribed Capital :				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	8,950,200	89,502,000	8,950,200	89,502,000
Paid Up Capital :				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	8,950,200	89,502,000	8,950,200	89,502,000
Less : Calls in Arrears	74,875	748,750	74,875	748,750
Total	8,875,325	88,753,250	8,875,325	88,753,250

Reconciliation of number of shares.

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	8,950,200	89,502,000	8,950,200	89,502,000
Add : Shares issued on Preferential Basis	-	-	-	-
Shares outstanding at the end of the year	8,950,200	89,502,000	8,950,200	89,502,000

Rights, preference and restrictions attached to Equity Shares

The company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

Details of Share held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	31.03.2012		31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jaiswal Land Devel Private Limited	860,000	9.61	860,000	9.61
Vaishno Conclave & Fin Private Limited	710,000	7.93	710,000	7.93
Ramson Estaate Private Limited	500,000	5.59	500,000	5.59
TOTAL	2,070,000	23.13	2,070,000	23.13

2.2 RESERVES AND SURPLUS

Particulars	31.03.2012	31.03.2011
	₹	₹
Securities Premium Reserve	-	-
General Reserve	-	-
Opening balance	-	-
Add : Transfer from Surplus	-	-
Profit & Loss Statement		
Opening balance	(88,481,867)	(88,460,524)
Add: Net Profit for the year	217,617	(21,343)
Amount available for Appropriations	(88,264,250)	(88,481,867)
Total	(88,264,250)	(88,481,867)

2.3 LONG TERM BORROWINGS

Particulars	31.03.2012	31.03.2011
	₹	₹
SECURED BORROWINGS	-	-
UNSECURED BORROWINGS		
From Directors	1,198,836	1,198,836
From Others	-	-
Total	1,198,836	1,198,836

VAISHNO CEMENT COMPANY LIMITED
Notes on Financial Statements for the year ended March 31, 2012

2.4 OTHER CURRENT LIABILITIES

Particulars	31.03.2012	31.03.2011
	₹	₹
Other payables		
Trade Payables	370,877	370,877
Outstanding Expenses	1,307,516	1,300,867
Total	1,678,393	1,671,744

2.5 SHORT TERM PROVISIONS

Particulars	31.03.2012	31.03.2011
	₹	₹
Provision for Taxation (Net)	94,500	-
Total	94,500	-

2.6 LONG TERM LOANS & ADVANCES

Particulars	31.03.2012	31.03.2011
	₹	₹
Deposits	1,449,340	1,449,340
Total	1,449,340	1,449,340

2.7 TRADE RECEIVABLES

Particulars	31.03.2012	31.03.2011
	₹	₹
Outstanding for More than Six Months	220,000	245,000
Others	-	-
Total	220,000	245,000

2.8 CASH & CASH EQUIVALENTS

Particulars	31.03.2012	31.03.2011
	₹	₹
Balance with Syndicate Bank in Current Account	5,773	5,007
Balance with PNB in Current Account	5,467	5,467
In Deposit with Bank with maturity for more than 3 months but less than 12 months	-	-
Cash in Hand	5,385	5,385
Total	16,625	15,859

2.9 SHORT TERM LOANS & ADVANCES

Particulars	31.03.2012	31.03.2011
	₹	₹
Unsecured, Considered Good		
Loans & Advances	1,431,764	1,431,764
Prepaid Expenses	-	-
Total	1,431,764	1,431,764

2.10 OTHER CURRENT ASSETS

Particulars	31.03.2012	31.03.2011
	₹	₹
Vijay Vishal Shah	343,000	-
Total	343,000	-

VAISHNO CEMENT COMPANY LIMITED

Notes on Financial Statements for the year ended March 31, 2012

2.11 Employee Cost

Particulars	31.03.2012	31.03.2011
	₹	₹
Salaries & Bonus	115,000	-
Staff Welfare Expenses	8,000	-
Total	123,000	-

Note : The Payment of Gratuity Act is not applicable to the Company as no. of Employees in the Company are below threshold minimum. Therefore, the Company has no liability on account of retirement Benefits in lieu of Accounting Standard 15 (Revised) on Employees Benefit.

2.12 Finance Cost

Particulars	31.03.2012	31.03.2011
	₹	₹
Bank Charges	1,883	-
Total	1,883	-

2.13 Other Expenses

Particulars	31.03.2012	31.03.2011
	₹	₹
Payment to Auditor	29,000	5,515
ROC Filing Fees	1,000	1,500
Miscellaneous Expenses	2,512	14,328
Travelling Expenses	10,930	-
Conveyance Expenses	8,925	-
Telephone Expenses	1,822	-
Printing & Stationery	4,850	-
Postage & Courier Charges	2,259	-
Listing Fees	234,702	-
Total	296,000	21,343

2.14 Computation of Basic & Diluted EPS

Profit earned (After Tax) (Rs.)	217,617	(21,343)
Weighted Average No. of Equity Shares outstanding during the year, Face Value of ₹ Re.10/- each	8,950,200	8,950,200
Earning Per Shares (Basis & Diluted)	0.02	-0.00

2.15 Related Parties Disclosures (As per Accounting Standard 18)

1. Relationship

- a. Wholly Owned Company - Not Any
- b. Associate Company - None
- c. Company under the Common Control of Promoters - Not Any
- d. Key Management Personnel
R. K. Jaiswal

2. Transactions

There has been no related parties transactions during the year under review.

VAISHNO CEMENT COMPANY LIMITED
Notes on Financial Statements for the year ended March 31, 2012

2.16 Segment Reporting (As per Accounting Standard 17)

- a. The Company has two Primary Business Segments viz.
- i. Production of Cement
 - ii. Broking Activities of Infrastructure Business

<u>Gross Segment Revenue</u>	<u>Current Year</u>	<u>Previous Year</u>
i. Production of Cement	-	-
ii. Broking Activities of Infrastructure Business	733,000	-

- b. Secondary Segment

The Company operates predomently within the geographical limits of India. It has no secondary segment revenue.

2.17 Disclosure for Payment to Micro, Small & Medium Enterprises

The Company has not received any intimation from their suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount unpaid as at the year end together with interest paid / payable as required under the said Act, have not been given.

Note : 2.18

The revised Schedule VI has been become effective from 1st April 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous Years' figures have been regrouped/re-classified wherever necessary to the correspond with the current year classifications / disclosures.

Vaishno Cement Company Ltd.

Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001

PROXY FORM

I/We _____ resident of _____ in
the district of _____ being member/members of the above named
Company, hereby appoint _____
resident of _____ in the district of _____
or failing him _____
resident of _____ in the district of _____ as
my/our proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the
Company to be held on Thursday, the 27th day of September 2012 at 11.30 A.M., at Vaishno Chambers, 6,
Brabourne Road, Kolkata-700 001 and any adjournment thereof.

Registered Folio No. _____ No. of Shares held _____

Signed on this _____ day of _____ 2012

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____



Vaishno Cement Company Ltd.

Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001

ATTENDANCE SLIP

I hereby record my presence at the 25th Annual General Meeting of the Company held on Thursday, the 27th
day of September 2012 at 11.30 A.M., at Vaishno Chambers, 6, Brabourne Road, Kolkata-700 001.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____