

**VALLEY MAGNESITE
COMPANY LIMITED**

**29th
ANNUAL REPORT
2016-2017**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arun Kumar Agarwalla, Managing Director
Mrs. Sudha Agarwalla, Director
Mr.Gaurang Agarwalla, Director
Mr. Shambhu Nath Modi, Director
Mr. Pratap Ram Ganguly , Director

COMPANY SECRETARY

Ms. Renuka Keswani

STATUTORY AUDITORS

M/s A.K.Meharia & Associates
Chartered Accountants
2, Garstin Place, 2nd Floor, Kolkata- 700 001

INTERNAL AUDITOR

M/s Pugalia & Associates
Chartered Accountants
33A,J.L.Nehru Road,4th floor,R.N./A-1
Kolkata-700 001

BANKERS

ORIENTAL BANK OF COMMERCE
KOTAK MAHINDRA BANK LTD.

REGISTERED OFFICE:

A-402, Mangalam,
24/26 Hemanta Basu Sarani, Kolkata-700 001
Phone: (033)22436242/43
Email : valleymagnesite@gmail.com
Website:www.valleymagnesite.com

REGISTRAR & SHARE TRANSFER AGENTSS.

S.K.Infosolutions Pvt.Ltd
34/1A, Sudhir Chatterjee Street, Kolkata- 700 006.
Phone:033-22194815
Email:contact@skcinfo.com

CIN

L23109WB1988PLC045491

VALLEY MAGNESITE COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata-700 001 on **Monday, the 18th September, 2017 at 11.00 A.M** to transact the following businesses :-

ORDINARY BUSINESS :

1.To consider and adopt the audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2017.

2.To consider and, if thought fit, to pass, the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and the Companies (Audit & Auditors) Rule, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, M/s. VMD & Associates, Chartered Accountants (Firm Registration No. 326120E), be and are appointed as Auditors of the Company at the ensuing Annual General Meeting for a term of five years i.e. till the conclusion of the 34th Annual General Meeting (AGM), which was subject to ratification at every AGM at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

3.To appoint a Director in place of Mrs Sudha Agarwalla(DIN:00938365) , who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4.Appointment of Mr. Gaurang Agarwalla (DIN No.06533183) Director

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made there under (including

any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16, 17 and other applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Gaurang Agarwalla (DIN 06533183), who was appointed as an Additional Director of the Company with effect from May 29, 2017 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

Registered Office : A-402, Mangalam,
24/26 Hemanta Basu Sarani,
Kolkata- 700 001.
Dated: The 8th day of August, 2017

By order of the Board
For Valley Magnesite Co.Ltd

(Arun Kumar Agarwalla)
Managing Director
DIN: 00607272

VALLEY MAGNESITE COMPANY LIMITED

Notes :

1. **A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy so appointed need not be a Member of Company. The Instrument of Proxy must be lodged with the Company not less than 48 hours before the Meeting.**
A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company, carrying voting rights.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf in the meeting.
3. The Register of Members shall remain closed from **12th September, 2017 to 18th September, 2017 (both days inclusive).**
4. The relevant Statement, pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the items of Special Business is annexed hereto.
5. Members, Proxies and Authorised Representatives are requested to bring their attendance Slips together with their copies of their Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the AGM venue.
6. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management of Administration) Rules, 2014, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("e-Voting") **under an arrangement with the Central Depository Services Limited (CDSL)** as specified more fully in the instructions hereunder provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently.
7. Voting shall be reckoned in relation to a Member's holding of the Paid-up Equity Share Capital of the Company as at close of business **on 11th September, 2017.**
8. Members are requested to notify Changes in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Registrar and Transfer Agents.
9. (a) Members desirous of receiving Notices and/or documents from the Company through the electronic mode are urged to update their email address with their Depository Participants, where shares are held in electronic form or to the Share Department of the Company / Registrars and Share Transfer Agents where shares are held in physical form.
(b) Email addresses of Members as advised to the Share Department of the Company / Registrar and Share Transfer Agents where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered Email address for serving Company documents/ notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs Members intending to refresh/update their email addresses should do so as soon as possible.
10. a) Members desirous of getting any information in relation to the Company's Annual Report 2016-17 are requested to address their query (ies) well in advance, i.e. at least 10 days before the Meeting, to enable the Management to keep the information readily available at the Meeting.
b) Members holding shares in Electronic Form are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.

VALLEY MAGNESITE COMPANY LIMITED

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN Card to the Company/Registrars and Share Transfer Agent for registration of such transfer of shares, Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Company/Registrars and Share Transfer Agents.
12. As per requirements of Listing Regulations with the Stock Exchanges, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report.
17. **VOTING THROUGH ELECTRONIC MEANS**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - III. **III.) The process and manner for remote e-voting are as under:**
 - (i) The remote e-voting period commences on **14th September, 2017 (10:00 am) and ends on 17th September, 2017 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **11th September 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

VALLEY MAGNESITE COMPANY LIMITED

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "**VALLEY MAGNESITE COMPANY LIMITED**" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

VALLEY MAGNESITE COMPANY LIMITED

(xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Window Phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
18. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at akkhandelia@rediffmail.com with a copy marked to helpdesk.evoting@cdslindia.com on or before **September 17, 2017, upto 5.00 pm.** without which the vote shall not be treated as valid.
 19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **11th September-2017**. A person who is not a member as on Cut off date should treat this notice for information purpose only.
 20. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of **11th September-2017**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
 21. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **11th September, 2017**. and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 22. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
 23. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. **11th September, 2017**. are requested to send the written / email communication to the Company at valleymagnesite@gmail.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

VALLEY MAGNESITE COMPANY LIMITED

- 24 **Shri Anand Khandelia , Practising Company Secretary (Certificate of Practice Number FCS 5803)** has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit not later than 3 days from the conclusion of the of the AGM , a consolidated Scrutinizer's Report of the total votes cast in favour or against , if any, to the Chairman or a person authorized by him in writing , who shall countersign the same and declare the result of the voting forthwith.
- 25 The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.valleymagnesite.com and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. Bombay Stock Exchange Ltd and The Calcutta Stock Exchange Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

Pursuant to Section 161 (1) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Gaurang Agarwalla (DIN 06533183) was appointed as an Additional Director at the Board Meeting held on May 29, 2017. Mr. Gaurang Agarwalla, a BBA by qualification having experience of 2 years in establishing listed company in his capacity as a CFO. The Board based on the experience/ expertise declared by Mr. Gaurang Agarwalla is of the opinion that he has the requisite qualification to act as a Director of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr. Gaurang Agarwalla would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Gaurang Agarwalla for the office of Director of the Company.

Mr. Gaurang Agarwalla is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and his consent to act as director has been received by the Company.

Your Board of Directors deliberated and decided that owing to the rich qualification & experience, Mr. Gaurang Agarwalla association would be of immense benefit to the Company and it is desirable to avail services of Mr. Gaurang Agarwalla as a Director. Accordingly, on the recommendation received from the Nomination and Remuneration Committee, the Board recommends the resolution for the appointment of Mr. Gaurang Agarwalla as an Director for a for the approval of the shareholder of the Company.

Mr. Gaurang Agarwalla does not hold by himself or for any other person on a beneficial basis, any shares in the company as per declaration given by him.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015.

None of the Directors, , Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution except Mr. Arun Kumar Agarwalla and Mrs. Sudha Agarwalla

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Registered Office : A-402, Mangalam,
24/26 Hemanta Basu Sarani,
Kolkata- 700 001.

Dated: The 8th day of August, 2017

By order of the Board
For Valley Magnesite Co.Ltd

(Arun Kumar Agarwalla)
Managing Director
DIN: 00607272

VALLEY MAGNESITE COMPANY LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 29th Annual Report on the business and operations of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2017

FINANCIAL SUMMARY:

PARTICULARS	Year ended 31st March 2017	Year ended 31st March, 2016
Profit (Loss) before Tax	41,17,807.09	44,30,443.34
Provisions for Taxation		
- Current provisions	-	-
- Earlier year taxes	-	(19,788.00)
- Provision for deferred Tax	3,45,840.00	8,58,467.08
Profit after Tax	44,63,647.09	52,69,122.42
Balance Brought forward	2,73,14,097.39	2,20,44,974.97
Balance Carried forward to Balance Sheet	3,17,77,744.48	2,73,14,097.39

DIVIDEND

In order to consolidate the Company's financial position, your directors consider it prudent not to recommend dividend for the year under review.

RESERVES

No amount is proposed to carry to any reserves by the board of directors.

STATE OF COMPANY'S AFFAIR

The results for the reporting year compared with the prior year is good since investments in mutual funds are sold during the year.

CHANGES IN THE NATURE OF BUSINESS

There is no Change in the nature of the business of the Company during the year.

MATERIAL CHANGES AND COMMITMENTS

There is no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES:

The Company does not become or ceased to be or have any subsidiary/Joint Ventures/ Associate Companies

VALLEY MAGNESITE COMPANY LIMITED

during the year.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The information required u/s. 134(3)(q) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rule, 2014 with respect to conservation of Energy, Technology absorption are not applicable to the company. The Company has no foreign exchange outflow or inflow during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has complied with the provisions of section 186 of the Companies Act, 2013 in relation to Loan, Investment & Guarantee given by the company during the financial year and no disclosures in this regard is required under the aforesaid section in this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES U/S 188(1)

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

RISK MANAGEMENT POLICY

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & the listing regulations, the Board of Directors has adopted risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

At present the company has not identified any element of risk which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 read together with Rule of the Companies Act, the "corporate social responsibility" (CSR), requirement is not applicable to the Company.

CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (LODR), Regulation, 2015 of the Listing agreement shall be annexed with the report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Board of Directors of the Company has adopted Whistle Blower Policy. The management of the Company, through the policy envisages encouraging the employees of the Company to report to the higher authorities any unethical, improper, illegal or questionable acts, deeds & things which the management or any superior may indulge in. This policy has been circulated to employees of the Company. However, no employee has been denied access to the Audit Committee.

VALLEY MAGNESITE COMPANY LIMITED

NOMINATION & REMUNERATION COMMITTEE

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

None of the employees, who were in receipt of remuneration in excess of the limits as specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 throughout or part of the financial year under review, was engaged in the company.

DIRECTORS:

Changes in Directors and Key Managerial Personnel

Mrs. Sudha Agarwalla retire by rotation and, being eligible, offer herself for re appointment. The Directors recommend Mrs. Sudha Agarwalla for re-appointment.

Independent Director(s) declaration

Mr. Shambhu Nath Modi and Mr. Pratap Ram Ganguly who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and listing regulation. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Code of Conduct

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Managing Directors and forms part of the Annual Report.

Board Meeting

During the year seven Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of which are given in the Corporate Governance Report.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Anand Khandelia, a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure A"

STATUTORY AUDITORS & AUDITORS REPORT

Pursuant to the provisions of section 139 of the Companies Act, 2013, A. K. Meharia & Associates, Chartered Accountants, were appointed as statutory auditors of the Company at the 26th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 29th AGM. M/s. VMD & Associates, Chartered Accountants have submitted a written consent that they are eligible to hold office as Statutory Auditors of the Company in terms of Section 139 of the Act and that they also satisfy the criteria provided in Section 141 of the Act. The Board recommends the appointment of M/s. VMD & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion

VALLEY MAGNESITE COMPANY LIMITED

of the ensuing Annual General Meeting till the conclusion of the 34th Annual General Meeting subject to ratification of their appointment by the members at every AGM held thereafter . The necessary resolution is being placed for consideration of the members at the ensuing Annual General Meeting.

The Auditor of the company has not made any qualification, reservation or adverse remark or disclaimer in his report and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- iii) The directors have 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.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

EMPLOYEES RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in listing regulation.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2016-17, no complain had been received.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

Place: Kolkata

Dated: 29th day of May, 2017

For and on behalf of the Board

Arun Kumar Agarwalla

Managing Director

DIN: 00607272

VALLEY MAGNESITE COMPANY LIMITED

Form No. MR-3

Annexure - A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2016-17

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

TheMembers,

VALLEY MAGNESITE COMPANY LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Valley Magnesite Company Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Valley Magnesite Company Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Valley Magnesite Company Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;: not applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;: not applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

VALLEY MAGNESITE COMPANY LIMITED

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and: not applicable

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) (Mention the other laws as may be applicable specifically to the company): not applicable

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Kolkata

Date: 15/05/2017

Anand Khandelia

FCS No - 5841

VALLEY MAGNESITE COMPANY LIMITED

Annexure- B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i CIN	L23109WB1988PLC045491
ii Registration Date	03.11.1988
iii Name of the Company	VALLEY MAGNESITE COMPANY LIMITED
iv Category/Sub-category of the Company	Indian Non-Government Company
v "Address of the Registered office & contact details"	A-402, MANGALAM, 24/26 HEMANTA BASU SARANI , KOLKATA- 700 001. PHONE: 033-22436242/43. EMAIL: VALLEYMAGNESITE@GMAIL.COM WEBSITE: WWW.VALLEYMAGNESITE.COM
vi Whether listed company	YES
vii Name , Address & contact details of the Registrar & Transfer Agent, if any.	S.K. INFOSOLUTIONS PVT.LTD. ADD: 34/1A SUDHIR CHATTERJEE STREET, KOLKATA- 700006 PH- 033-2219 4815. EMAIL: CONTACT@SKCINFO.COM

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	"NIC Code of the Product /service"	"% to total turnover of the company"
1	Other Financial Service Activities except insurance and pension funding activities	649	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY/ ASSOCIATE"	"% OF SHARES HELD"	"APPLICABLE SECTION"
1	-	-	-	-	-

VALLEY MAGNESITE COMPANY LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Percent Change the during year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS	(1) Indian									
	a) Individual/HUF	287,500	-	287,500	27.381%	287,500	-	287,500	27.381%	0.00%
	"b) Central Govt.or State Govt."	-	-	-	-	-	-	-	-	-
	c) Bodies Corporates	-	-	-	-	-	-	-	-	-
	d) Bank/FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	SUB TOTAL:(A) (1)	287,500	-	287,500	27.381%	287,500	-	287,500	27.381%	0.00%
	(2) Foreign									
	a) NRI- Individuals	-	-	-	-	-	-	-	-	-
	b) Other Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any other...	-	-	-	-	-	-	-	-	-
	SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
"Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"	287,500	-	287,500	27.381%	287,500	-	287,500	27.381%	0.00%	
B . PUBLIC SHAREHOLDING	(1) Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks/FI	-	-	-	-	-	-	-	-	-
	C) Cenntal govt	-	-	-	-	-	-	-	-	-
	d) State Govt.	-	-	-	-	-	-	-	-	-
	e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIIS	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds"	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
	(2) Non Institutions									
	a) Bodies corporates									
	i) Indian	504000	96400	600400	57.181%	503995	96400	600395	57.180%	0.00%
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	162100	162100	15.438%	5	162100	162105	15.439%	0.00%	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00%	0	0	0	0.00%	0.00%	
c) Others (specify)	-	-	-	-	-	-	-	-	-	
SUB TOTAL (B)(2):	504000	258500	762500	72.619%	504000	258500	762500	72.619%	0.00%	
"Total Public Shareholding(B)= (B)(1)+(B)(2)"	504000	258500	762500	72.619%	504000	258500	762500	72.619%	0.00%	
TOTAL (A) + (B)	791,500	258,500	1,050,000	100.000%	791,500	258,500	1,050,000	100%	0	
"C. Shares held by Custodian for GDRs & ADRs"	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	791,500	258,500	1,050,000	100.000%	791,500	258,500	1,050,000	100.000%	0%	

VALLEY MAGNESITE COMPANY LIMITED

ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ARUN KUMAR AGARWALLA	161,900	15.419%	-	161,900	15.419%	-	0.00%
2	ARUN KUMAR AGARWALLA(HUF)	19,600	1.867%	-	19,600	1.867%	-	0.00%
3	SUDHA AGARWALLA	106,000	10.095%	-	106,000	10.095%	-	0.00%
	Total	287,500	27.381%	-	287,500	27.381%	-	0.00%

iii. Change in Promoter's Shareholding

SI No.	Shareholder's Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	ARUN KUMAR AGARWALLA				
	a)At the beginning of the year	161,900	15.419%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			161,900	15.419%
2	ARUN KUMAR AGARWALLA(HUF)				
	a)At the beginning of the year	19,600	1.867%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			19,600	1.867%
3	SUDHA AGARWALLA				
	a)At the beginning of the year	106,000	10.095%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			106,000	10.095%
	TOTAL	287,500	27.381%	287,500	27.381%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR & ADR)

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	DHANVERDHI EXPORTS LTD				
	a)At the beginning of the year	245000	23.333%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			245000	23.333%
2	VIDYUT DEALERS PVT.LTD				
	a)At the beginning of the year	147000	14.000%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			147000	14.000%
3	SWAGTAM DISTRIBUTORS PVT.LTD				
	a)At the beginning of the year	111995	10.666%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			111995	10.666%
4	GRAPES TRADECOM PRIVATE LTD.				
	a)At the beginning of the year	10000	0.952%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			10000	0.952%

VALLEY MAGNESITE COMPANY LIMITED

5	KARUNAMOYEE DEALCOM PVT.LTD				
	a)At the beginning of the year	9600	0.914%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			9600	0.914%
6	UTSAV DEALMARK PVT.LTD				
	a)At the beginning of the year	9600	0.914%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			9600	0.914%
7	PANCHKOTI HOUSING PVT.LTD				
	a)At the beginning of the year	9600	0.914%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			9600	0.914%
8	ESHAA DEALTRADE PVT.LTD				
	a)At the beginning of the year	9600	0.914%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			9600	0.914%
9	GOLDMOON MARKETING PVT.LTD				
	a)At the beginning of the year	8700	0.829%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			8700	0.829%
10	NORTHPOLE TRADELINE PVT.LTD				
	a)At the beginning of the year	8700	0.829%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			8700	0.829%

(v) Shareholding of Directors & KMP

Sl No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	ARUN KUMAR AGARWALLA				
	a)At the beginning of the year	161900	15.419%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			161900	15.419%
2	SUDHA AGARWALLA				
	a)At the beginning of the year	106000	10.095%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			106000	10.095%
3	PRATAP RAM GANGULY				
	a)At the beginning of the year	500	0.048%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			500	0.048%
4	UTTAM BANERJEE				
	a)At the beginning of the year	500	0.048%		
	b) changes during the year	(no changes during the year)			-
	c)At the end of the year			500	0.048%

VALLEY MAGNESITE COMPANY LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	---
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIA PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Managing Director			Total Amount
	1. Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as a % of profit	-	-	-	-
5	Others, please specify				
	Total (A)	-	-	-	-
	Ceiling as per the Act				

VALLEY MAGNESITE COMPANY LIMITED

B. Remuneration to other directors:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors				-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel ₹ (Lakhs)			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	1.00	4.48	4.48
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as a % profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	1.00	4.48	4.48

Penalties / punishment / compounding of offences

There were no Penalties / punishment / compounding of offences for the year ending March ' 31 , 2017

For and on behalf of the Board

Arun Kumar Agarwalla

Managing Director

DIN: 00607272

Place: Kolkata

Dated: 29th May, 2017

VALLEY MAGNESITE COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the company its stakeholders and the society at large by adopting better corporate practices in fair and transparent manner by aligning interest of the company with its shareholders and other key stakeholders.

Your Company continues to follow procedures and practices in conformity with the code of Corporate Governance outlined in the listing agreement.

2. Board of Directors:

Composition of the Board, Directorships & Committee positions held in other companies and shares held as on 31st March 2017:

As on 31st March 2017, the Company had 4 Directors. The Board of Directors Comprise of One Managing, Executive & Non Independent director, One Non Executive & Non Independent director and Two Non Executive Independent directors.

Directors	Category	Board Meeting Attended	Annual General Meeting Attended	Directorships in other Companies *	Committee Membership**	Committee Chairmanship**
Arun Kumar Agarwalla	Managing, Executive (Non-Independent Director)	07	Yes	02	06	Nil
Sudha Agarwalla	Non-Executive (Non Independent Director)	07	Yes	03	03	Nil
Shambhu Nath Modi	Non- Executive (Independent Director)	05	Yes	03	07	05
Pratap Ram Ganguly	Non- Executive (Independent Director)	05	Yes	01	01	05

* Other directorships do not include directorship of private limited companies, companies registered u/s 8 of Companies Act and of companies incorporated outside India.

** Chairmanship/Membership of Board committees includes Membership of Audit, Nomination & Remuneration and stakeholders Relationship committees only.

** No Director is a member of more than 10 committees or chairman of more than 5 committees across all companies in which he is a Director.

Number of Board Meetings held & dates on which meeting held:

Number of Board Meetings Held :07
 Date on which held :25th April 2016, 28th May 2016, 23rd June 2016, 11th Aug 2016, 10th Nov 2016, 20th Jan 2017, and 10th Feb, 2017

Role of Independent Directors:

The independent directors devote sufficient time and attention to professional obligations for informed and balanced decision making at the Board and various committee meetings. They regularly update and refresh skills, knowledge and familiarity with the Company and actively and constructively participate in the meetings.

VALLEY MAGNESITE COMPANY LIMITED

Independent Directors Meeting:

During the year under review, the Independent Directors met on December 21, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

Disclosures in relation to the appointment/re-appointment of Directors:

As required, brief profiles of the directors appointed or re-appointed are appended below:

- Sudha Agarwalla

Name of the Director	Mrs. Sudha Agarwalla
Father's Name	Sri Bhagwati Prasad Jalan
Director Identification No.(DIN)	00938365
Date of Birth	04.08.1964
Date of Appointment	01.10.1994
Qualifications	B.Com
Experience	Mrs. Sudha Agarwalla is a Commerce Graduate from Guwahati University having experience of over 21 Years in the field of Investment and Finance Business. She is recognized for her experience in the field of Accounts, Investments and Fund Management.
Directorship in other Companies	Saumya Consultants Limited Ganodaya Finance Limited Dhanverdhi Exports Limited Singhal Towers Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member: Nomination & Remuneration Committee
Membership / Chairmanship of Committees of the other public companies in which She is a Director	Saumya Consultants Limited Member: Nomination & Remuneration Committee Audit Committee
No.of Shares held in the Company	106000

Code of Conduct:

The Company has a code of conduct applicable to all Board Members & Senior Management staff for avoidance of conflict of interest between each of the above individuals and the Company. Each Board Members & Senior Management staff declare their compliance with the Code of Conduct as at the end of each Financial Year. A certificate to this effect is attached to this report duly signed by Managing Director.

VALLEY MAGNESITE COMPANY LIMITED

3. Audit committee

Apart from all the matters provided in section 177 of the Companies Act 2013 and Listing Regulation, the Audit committee reviews reports of the internal Auditors, meets statutory auditors as and when required and discuss findings, suggestions, observations and other related matters.

a) The Composition of the Committee and the attendance of each member at Meetings are as follows:

Members	Designation	Category	No. of Meetings Attended
Shambhu Nath Modi	Chairman	Non Executive (Independent)	4
Pratap Ram Ganguly	Member	Non Executive (Independent)	4
Arun Kumar Agarwalla	Member	MemberExecutive (Non-Independent)	4

b) Details of the Audit Committee Meetings Held :

<u>Date of Meeting</u>	<u>No. of Members Attended</u>
27.05.2016	Three
10.08.2016	Three
09.11.2016	Three
09.02.2017	Three

Nomination and Remuneration Committee :

In compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Listing Regulation, the composition and other details as required are as follows:

a) The Composition of the Committee and the attendance of each member at Meetings are as follows:

Members	Designation	Category	No. of Meeting Attended
Pratap Ram Ganguly	Chairman	Non Executive (Independent)	One
Shambhu Nath Modi	Member	Non Executive (Independent)	One
Sudha Agarwalla	Member	Non Executive Non Independent)	One

b) Details of the Nomination and Remuneration Committee Meetings Held :=

<u>Date of Meeting</u>	<u>No. of Members Attended</u>
27.12.2016	Three

The terms of reference to this committee include:

- The Committee shall identify persons who are qualified to become directors and who may be appointed as Key Managerial Persons in accordance with criteria laid down, recommend the board their appointment and removal and shall carry out very director's performance.
- This Committee is empowered to review and recommend the Board of Directors, remuneration and commission of directors and other senior executives of the Company.

Remuneration Policy:

The Remuneration policy of your Company is a comprehensive and the policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

Non-executive/ Independent directors remuneration

The Company is not paying any remuneration to the Non-executive Directors.

VALLEY MAGNESITE COMPANY LIMITED

5. Stakeholder's Relationship Committee :

In line with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulation, the composition and other details of 'Stakeholders Relationship Committee' are as follows:

a) The Composition of the Committee and the attendance of each member of the committee are given below:

Name of the Director	Designation	No. of Meeting held & attended
Pratap Ram Ganguly	Chairman	3
Shambhu Nath Modi	Member	3
Arun Kumar Agarwalla	Member	3

b) Ms. Renuka Keswani is Company Secretary and Compliance officer of the Company.

c) Details of the Stakeholder's Relationship Committee Meetings Held :

<u>Date of Meeting</u>	<u>No. of Members Attended</u>
27.04.2016	Three
15.07.2016	Three
14.10.2016	Three

No complaints have been received during the year regarding transfer of shares and/or non receipt of balance sheet etc.

The terms of reference to this committee include:

- Review, on periodic basis, status of grievances relating to transfer, transmission of shares, issue of duplicate shares.
- Monitor expeditious redressal of Investors grievances.
- Review instances of non-receipt of Annual Report.
- Consider all matters related to all security holders of the Company.

6. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company laid down the procedure to inform Board members about the risk assessment and minimisation procedures. The Board framed, implemented and monitored, the Company's risk management practices and activities at regular interval. At present the Board has not identified any element of risk which may threaten the existence of the company.

7. General Body Meetings:

a) Location, Place and time where last three Annual General Meetings were held are given below:-

Financial Year	Date of AGMs	Location	Time
2015-2016	29th September 2016	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	12.30 P.M
2014-2015	29th September 2015	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	10.00 A.M
2013-2014	29th September 2014	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	10.00 A.M

b) Special Resolutions passed at previous three AGMs:-

i) AGM on 29th September 2016

In the AGM held on 29th September, 2016, a Special Resolution was passed for adopting the new set of Article of Association in terms of the provisions of section 14 of the Companies Act, 2013. in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

VALLEY MAGNESITE COMPANY LIMITED

ii) AGM on 29th September 2015

No Special Resolution was passed at this AGM.

iii) AGM on 29th September 2014

In the AGM held on 29th September, 2014, a Special Resolution was passed for adopting the new set of Article of Association in terms of the provisions of section 14 of the Companies Act, 2013. in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

c) No Extraordinary General Meeting of the members was held.

8. Disclosures:

a) Disclosures on materially significant related party transaction:

The statements containing the transactions with related parties were submitted periodically to the Audit Committee. There are no related party transactions that may have potential conflict with the interest of the Company at large. There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

b) Details of non-compliance(s) by the Company:

No penalties have been imposed or strictures have been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years against the non compliance relating to the matter aforesaid.

c) Whistle Blower Policy/Vigil Mechanism

The Board of Directors of the Company has adopted Whistle Blower Policy. The management of the Company, through the policy envisages encouraging the employees of the Company to report to the higher authorities any unethical, improper, illegal or questionable acts, deeds & things which the management or any superior may indulge in. This policy has been circulated to employees of the Company. However, no employee has been denied access to the Audit Committee.

d) The adoption of the other non-mandatory requirements set out in Listing Regulation is under consideration.

e) Disclosure of Accounting Treatment

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

9. Means of Communication:

The quarterly Unaudited Financial Results and the Audited Financial Results as approved and taken on record by the Board are sent to the Stock Exchanges where the Company's shares are listed and then published generally in "Political Business Daily" (English Edition) and "Sukhabar" (Bengali edition). The results are also posted on the Company's website www.valleymagnesite.com. However, these are not sent individually to shareholders.

Management Discussion and Analysis Report is an integral part of annual report.

10. Management Discussion & Analysis Report:

The Company's performance is up beating. The Company does not foresee any threat in terms of investment policy and return on instrument as such the company is taking all its offers to overcome such unforeseen threat and to exceed in the concerned fora. The management is hopeful in achieving a better result in future.

VALLEY MAGNESITE COMPANY LIMITED

11.CEO and CFO Certification

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May, 29, 2017 as required under SEBI (Listing obligations and Disclosure Requirements) Regulations.

12.General Shareholders Information:

a) Annual General Meeting

Date : 18th September, 2017.
Time : 11.00 AM
Venue : Registered Office;
A-402, Mangalam,
24/26 Hemanta Basu Sarani, Kolkata- 700 001.

b) Financial year of the Company : 1st April 2016 to 31st March 2017

c) Book Closure Date : 12th September, 2017 to 18th September, 2017
(Both day inclusive)

d) Dividend payment date (if any) : Not recommended

e) Listing on Stock Exchanges :

The Company has listed its shares at – Stock Exchanges as stated below:

<u>Sl.No.</u>	<u>Name of Stock Exchanges</u>
01.	Bombay Stock Exchange Ltd.
02.	The Calcutta Stock Exchange Ltd.

ISIN No. for Dematerialization of Shares : INE834E01016

f) Market Price Data : Company's shares are not frequently traded in the Stock Exchanges.

g) Registrar and share transfer Agent

(for Both: Physical and Dematerialized share transfers) : S.K.Infosolutions Pvt.Ltd
34/1A, Sudhir Chatterjee Street,
Kolkata- 700 006.
Email: contact@skcinfo.com

Share Transfer System:

Subject to documentation being in order, transfer requests of equity shares in physical form lodged with the Company/ Registrars are processed within 30 days from the date of receipt.

i) Distribution of Shareholding as on 31.03.2017:-

<u>No. of Equity Shares held</u>	<u>No. of Share-Holders</u>	<u>% of Share-holders</u>	<u>No. of Share held</u>	<u>% of Share holdings</u>
Upto 500	1335	97.95	143505	13.67
501-1000	06	00.44	4000	0.38
1001-3000	06	00.44	14600	1.39
3001-5000	0	0.00	0	0.00
5001-10000	11	00.81	96400	9.18
10001- 50000	01	00.07	19600	1.87
50001-100000	0	0.00	0	0.00
100001 & above	04	00.29	771895	73.51
	<u>1363</u>	<u>100.00</u>	<u>1050000</u>	<u>100.00</u>

VALLEY MAGNESITE COMPANY LIMITED

j) Categories of Shareholders as on 31.03.2017 :-

Category	No. of Share- Holders	% of Share- holders	No. of Share held	% of Share held
Promoters	3	0.22	287500	27.38
Bodies				
Corporate	13	0.95	600395	57.18
Public	1347	98.83	162105	15.44
	1363	100.00	1050000	100.00

Dematerialization and Rematerialisation:

Request for Dematerialization and Rematerialisation should be sent either to the Company's Registrar and Share Transfer Agents or to the Share Department of the Company.

j) Dematerialization of Shares and liquidity:

791500 Equity Shares (75.38%) have been dematerialized upto 31st March, 2017.

l) Address for Correspondence:

Registered Office

A-402, Mangalam,
24/26 Hemanta Basu Sarani, Kolkata- 700 001
Phone: (033)2243-6242/6243
Website: www.valleymagnesite.com
Email : valleymagnesite@gmail.com

13.Compliance of Listing Regulation pertaining to mandatory requirements & Auditors Certificate on Corporate Governance:

The Company has complied with all the mandatory requirements on Corporate Governance as specified in the Listing Regulation.

As required in the Listing Regulation , the Auditor's Certificate on compliance of the Corporate Governance norms is attached.

For and on Behalf of the Board

Registered Office : A-402, Mangalam,
24/26 Hemanta Basu Sarani,
Kolkata- 700 001.

(Arun Kumar Agarwalla)
Managing Director
DIN:00607272

Dated: The 8th day of August ,2017

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2017.

For and on Behalf of the Board

Place : Kolkata
Dated: The 8th day of August ,2017

(Arun Kumar Agarwalla)
Managing Director
DIN : 00607272

VALLEY MAGNESITE COMPANY LIMITED

**Auditors Certificate of Compliance of Conditions of
Corporate Governance**

To,
The Members of Valley Magnesite Company Limited,
Kolkata

We have examined the compliance of conditions of Corporate Governance by **VALLEY MAGNESITE COMPANY LIMITED** ("the Company"), for the year ended on 31 March, 2017, as stipulated in the Listing Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015..

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation.

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 **A.K. Meharia & Associates**
Chartered Accountants
Firm's Registration No.324666E

(A.K. Meharia)
Partner

Place:Kolkata
Dated: 8 th August, 2017

Membership Number: 053918

VALLEY MAGNESITE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of VALLEY MAGNESITE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Sec 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

VALLEY MAGNESITE COMPANY LIMITED

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- (b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order.

2.As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

(e) on the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanation given to us:

i)The Company has disclosed the impact of pending litigations on its financial positions in its financial statements.

ii)The Company has made provisions, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii)There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv)The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management

For **A.K. Meharia & Associates**
Chartered Accountants
Firm's Registration No.324666E

(A.K. Meharia)

Partner

Membership Number: 053918

Place: Kolkata

Dated: 29th May, 2017

VALLEY MAGNESITE COMPANY LIMITED

ANNEXURE A TO THE AUDITOR'S REPORT

- i) 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held by the company.
- ii) The Company does not have any kind of Inventories during and at the end of the year and so it does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) As per the information and explanation given to us, the company has not granted any loans, secured or unsecured to Companies, firms, LLPs or other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub-clause (a), (b) of clause (iii) of Paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposit from the public as stipulated under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under and the directives issued by the Reserve Bank of India.
- vi) In our opinion, maintenance of cost records pursuant to the Companies (Cost Records and audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 are not applicable to the company.
- vii) a) In our opinion and according to the information and explanations given to us, Company is generally been regular in depositing with appropriate authorities undisputed statutory dues, as required under this clause and applicable to the Company during the year. There is no undisputed amount payable in respect of aforesaid statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2017.
- b) According to the information and explanations given to us, there are no statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions banks or government. The Company has not issued any debentures.
- ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year
- x) In our opinion and according to information and explanations given to us, no material fraud by the Company or on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.

VALLEY MAGNESITE COMPANY LIMITED

- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company has made investments in units of Mutual Funds for more than fifty percent of total assets at the end of the year and earned the income from units for more than fifty percent of total income for the year. As per Information & explanation given to us, the company is not required to get registration under section 45-IA of the Reserve Bank of India Act 1934.

For **A.K. Meharia & Associates**
Chartered Accountants
Firm's Registration No.324666E

(A.K. Meharia)
Partner

Place:Kolkata
Dated:29 th May, 2017

Membership Number: 053918

VALLEY MAGNESITE COMPANY LIMITED

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Valley Magnesite Co. Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

VALLEY MAGNESITE COMPANY LIMITED

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A.K. Meharia & Associates**
Chartered Accountants
Firm's Registration No.324666E

(A.K. Meharia)
Partner

Membership Number: 053918

Place: Kolkata
Dated: 29th May, 2017

VALLEY MAGNESITE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

		(Amount in ₹) AS AT 31ST MARCH, 2017	(Amount in ₹) AS AT 31ST MARCH, 2016
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders Fund</u>			
Share Capital	2	10,500,000.00	10,500,000.00
Reserve & Surplus	3	39,042,375.32	34,578,728.23
<u>Non Current Liabilities</u>			
Long Term Provisions	4	79,157.00	47,118.00
<u>Current Liabilities</u>			
Other Current Liabilities	5	85,073.00	275,143.00
Short Term Provisions	6	51,825.00	38,755.00
Total		49,758,430.32	45,439,744.23
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Fixed Assets	7	30,411.04	295,953.61
Non-Current Investments	8	861,000.00	861,000.00
Deferred Tax Assets(Net)	9	2,328,790.00	1,982,950.00
<u>Current Assets</u>			
Current Investment	10	36,810,038.65	34,710,987.68
Cash & Bank Balances	11	589,185.63	799,239.94
Short Term Loans & Advances	12	9,139,005.00	6,784,005.00
Other Current Assets	13	-	5,608.00
Total		49,758,430.32	45,439,744.23

Significant Accounting Policies 1

The accompanying Notes of Accounts are an integral part of financial statements.

As per our report of even date

For **A.K. Meharia & Associates**

Firm Registration Number-324666E

Chartered Accountants

(A.K. Meharia)

Partner

Membership Number 053918

Place: Kolkata

Date: 29 th May, 2017

For and on behalf of Board

Arun Kumar Agarwalla

Managing Director

DIN : 00607272

Sudha Agarwalla

Director

DIN : 00938365

Gaurang Agarwalla

Director

DIN : 06533183

Renuka Keswani
Company Secretary

Uttam Banerjee
CFO

VALLEY MAGNESITE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	<u>NOTES</u>	<u>(Amount in ₹)</u> <u>For the Year</u> <u>2016 - 2017</u>	<u>(Amount in ₹)</u> <u>For the Year</u> <u>2015 - 2016</u>
<u>INCOME</u>			
Revenue from Operation		-	-
Other Income	14	5,836,336.66	7,905,178.61
Total Revenue		<u>5,836,336.66</u>	<u>7,905,178.61</u>
<u>EXPENSES</u>			
Employee Benefit Expenses	15	792,580.00	665,022.00
Depreciation & Amortization Expenses	7	34,588.01	73,246.01
Others expenses	16	891,361.56	2,736,467.26
Total Expenses		<u>1,718,529.57</u>	<u>3,474,735.27</u>
Profit/(Loss) Before Tax		4,117,807.09	4,430,443.34
<u>Tax Expense:</u>			
Current Tax		(785,468.00)	(845,042.00)
MAT Credit		785,468.00	845,042.00
Earlier Years		-	(19,788.00)
Deferred Tax Asset/(Liability)		345,840.00	858,467.08
Profit/(Loss) for the Period		<u>4,463,647.09</u>	<u>5,269,122.42</u>
Earning Per equity Share-Basic & Diluted	17	4.25	5.02
Face Value Per Share (In `)		10.00	10.00
Significant Accounting Policies	1		

The accompanying Notes of Accounts are an integral part of financial statements.

As per our report of even date

For **A.K. Meharia & Associates**

Firm Registration Number-324666E

Chartered Accountants

(A.K. Meharia)

Partner

Membership Number 053918

Place: Kolkata

Date: 29 th May, 2017

For and on behalf of Board

Arun Kumar Agarwalla

Managing Director

DIN : 00607272

Sudha Agarwalla

Director

DIN : 00938365

Gaurang Agarwalla

Director

DIN : 06533183

Renuka Keswani

Company Secretary

Uttam Banerjee

CFO

VALLEY MAGNESITE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

<u>PARTICULARS</u>	<u>YEAR ENDED ON</u> <u>31st March, 2017</u>		<u>YEAR ENDED ON</u> <u>31st March, 2016</u>	
	Rs.	P.	Rs.	P.
<u>Cash Flow From Operating Activities</u>				
Profit before tax as per Profit & Loss Account	4,117,807.09		4,430,443.34	
<u>Adjustment for:</u>				
Depreciation	34,588.01		73,246.01	
Loss on Sale Fixed Asset	64,954.56		-	
Profit on sale of Investment	<u>(5,836,336.66)</u>		<u>(7,905,178.61)</u>	
Operating Profit before Working Capital Changes	<u>(1,618,987.00)</u>		<u>(3,401,489.26)</u>	
<u>Adjustment for Working Capital changes:</u>				
Other Current Assets	5,608.00		16.00	
Trade Payable & Other Liabilities	(177,000.00)		(29,387.00)	
Change in Provisions	32,039.00		36,658.00	
Earlier Year Tax	-		(19,788.00)	
Cash Generated from Operation	<u>(1,758,340.00)</u>		<u>(3,413,990.26)</u>	
Net Cash Flow From Operating Activities	A) (1,758,340.00)		(3,413,990.26)	
<u>Cash Flow From Investing Activities</u>				
Profit on Sale of Investment	5,836,336.66		7,905,178.61	
Movement in Short Term Loans & Advances	(2,355,000.00)		(590,132.00)	
Decrease (Increase) in Investment	(2,099,050.97)		(3,934,972.74)	
Purchases of Fixed Asset	(34,000.00)		-	
Sale of Fixed Asset	<u>200,000.00</u>		<u>-</u>	
Net Cash Flow From Investing Activities	B) 1,548,285.69		3,380,073.87	
<u>Cash Flow From Financing Activities</u>				
Interest Received	-		-	
Net Cash Flow from financing Activities	C) -		-	
Net Increase/(Decrease)n in cash and cash equivalents (A+B+C)	(210,054.31)		(33,916.39)	
Cash and cash equivalent at the beginning of the year	<u>799,239.94</u>		<u>833,156.33</u>	
Cash and Cash Equivalent at the end of the year	589,185.63		799,239.94	

In terms of our report of even date

Notes:

- 1 The Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 'Cash Flow Statement' as specified in Companies (Accounts) Rules, 2014
- 2 Figures of the previous period has been rearranged/ regrouped where ever considard necessary.

For A.K. Meharia & Associates

Firm Registration Number-324666E
Chartered Accountants

(A.K. Meharia)

Partner
Membership Number 053918

Place: Kolkata
Date: 29 th May, 2017

For and on behalf of Board

Arun Kumar Agarwalla
Managing Director
DIN : 00607272

Sudha Agarwalla
Director
DIN : 00938365

Gaurang Agarwalla
Director
DIN : 06533183

Renuka Keswani
Company Secretary

Uttam Banerjee
CFO

VALLEY MAGNESITE COMPANY LIMITED

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

b) Fixed Assets:

Fixed Assets are stated at cost of acquisition/installation less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.

c) Depreciation and Amortisation:

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life in terms of the provisions of Schedule II of the Companies Act, 2013.

d) Investments

Investments are classified into current and Long -term investment. Current Investments are stated at lower of cost and fair market value. Long Term Investments are stated at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

e) Earning Per Share

Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

f) Taxation

Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income Tax Act, 1961, Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and law that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realised in future.

h) Employee Benefits

Gratuity Liability has been provided on the basis of actuarial valuation. The company does not contribute to any fund for gratuity for its employees. The cost of providing benefits is determined on the basis of actuarial valuation at each year end using projected unit credit method. Actuarial gain and losses is recognized in the period in which they occur in the statement of profit and loss.

l) Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

j) Provision & Contingent Liability

A provision is recognized when there is a present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. These are reviewed at each year end and adjusted to reflect the best current estimates. Contingent liabilities are not recognised but disclosed in the financial statements.

VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

	(Amount in ₹) AS AT <u>31ST MARCH, 2017</u>	(Amount in ₹) AS AT <u>31ST MARCH, 2016</u>
NOTE - 2		
SHARE CAPITAL		
Authorised Shares:		
11,00,000 (P.Y:11,00,000) Equity Shares of Rs.10/-each	11,000,000.00	11,000,000.00
Issued, Subscribed & fully Paid - up Shares		
10,50,000 (P.Y:10,50,000) Equity Shares of Rs.10/-each fully paid up	10,500,000.00	10,500,000.00
	<u>10,500,000.00</u>	<u>10,500,000.00</u>
a) Terms/rights attached to equity shares.		
The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount in proportion of their shareholding.		
b) Details of shareholders holding more than 5% shares in the company		
	AS AT <u>31ST MARCH, 2017</u>	AS AT <u>31ST MARCH, 2016</u>
	No. of Shares % Holding	No. of Shares % Holding
Equity Shares of Rs.10 each fully paid up		
Dhanverdhi Exports Ltd	245,000.00 23.33%	245,000 23.33%
Arun Kumar Agarwalla	161,900.00 15.42%	161,900 15.42%
Sudha Agarwalla	106,000.00 10.10%	106,000 10.10%
Swagtam Distributors Pvt Ltd	111,995.00 10.67%	112,000 10.67%
Vidyut Dealers Pvt Ltd	147,000.00 14.00%	147,000 14.00%
NOTE - 3		
RESERVES & SURPLUS		
Balance as per last Financial Statement		
Capital Reserve	1,647,094.00	1,647,094.00
General Reserve	3,000,000.00	3,000,000.00
Investment Allowance (utilised) Reserve	2,617,536.84	2,617,536.84
	<u>7,264,630.84</u>	<u>7,264,630.84</u>
Profit & Loss Account		
Balance as per last financial statement	27,314,097.39	22,044,974.97
Profit/(Loss) for the year	4,463,647.09	5,269,122.42
	<u>31,777,744.48</u>	<u>27,314,097.39</u>
	<u>39,042,375.32</u>	<u>34,578,728.23</u>
NOTE - 4		
LONG TERM PROVISIONS		
Provision for Gratuity	79,157.00	47,118.00
	<u>79,157.00</u>	<u>47,118.00</u>
NOTE - 5		
OTHER CURRENT LIABILITIES		
Sundry Creditors for Exp. & Others	79,073.00	75,893.00
Statutory Dues	6,000.00	199,250.00
	<u>85,073.00</u>	<u>275,143.00</u>
NOTE - 6		
SHORT TERM PROVISIONS		
Provision for Taxation	-	-
Provision for Gratuity	51,825.00	38,755.00
	<u>51,825.00</u>	<u>38,755.00</u>

VALLEY MAGNESITE COMPANY LIMITED

NOTES SHOWING DETAIL OF FIXED ASSETS AS AT 31ST MARCH, 2017

NOTES - 7

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 1.04.2016	Additions	Sales/ Adjustments	As on 31.03.2017	Upto 31.03.2016	Sales/ Adjustments for the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
*Motor Car	550,430.00	-	550,430.00	-	262,766.06	22,709.38	-	287,663.94	285,475.44
Computer	14,217.00	-	-	14,217.00	13,211.72	-	13,324.02	892.98	1,005.28
Television	15,290.00	-	-	15,290.00	8,005.61	-	13,488.93	1,801.07	7,284.39
Air Conditioner	-	-	34,000.00	34,000.00	-	-	6,283.01	27,716.99	-
Total Rs.	579,937.00	-	584,430.00	63,507.00	283,983.39	285,475.44	33,095.96	30,411.04	295,953.61
Previous Years	579,937.00	-	-	579,937.00	210,737.38	-	283,983.39	295,953.61	369,199.62

VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

	(Amount in ₹) AS AT 31ST MARCH, 2017	(Amount in ₹) AS AT 31ST MARCH, 2016
NOTE -8		
NON CURRENT INVESTMENTS		
Trade Investments (Valued at cost unless stated otherwise)		
Quoted Equity Instruments		
(Face Value: Rs.10/- each fully paid up)		
6,100 (P.Y:6,100) Equity Share of Mihijam Vansapati Ltd .	<u>61,000.00</u>	<u>61,000.00</u>
	<u>61,000.00</u>	<u>61,000.00</u>
Unquoted Equity Instruments		
(Face Value: Rs.10/- each fully paid up)		
Investment in Other company		
20,000 (P.Y. 20,000) Equity Share of Core Mercantiles Pvt Ltd	400,000.00	400,000.00
20,000 (P.Y.20,000) Equity Share of Windsor Mercantiles Pvt Ltd	<u>400,000.00</u>	<u>400,000.00</u>
	<u>800,000.00</u>	<u>800,000.00</u>
Total Investment	<u>861,000.00</u>	<u>861,000.00</u>
Market Value of Quoted Investment	<u>36,600.00</u>	<u>36,600.00</u>
NOTE -9		
DEFERRED TAX ASSETS		
On account of		
Carried forward of losses	2,252,799.00	1,970,249.00
On carrying amount of fixed assets	35,518.00	12,701.00
On expenses disallowed as per Income Tax to be allowed when paid	<u>40,473.00</u>	-
	<u>2,328,790.00</u>	<u>1,982,950.00</u>
NOTE - 10		
CURRENT INVESTMENTS		
Trade Investments (Valued at cost unless stated otherwise)		
Mutual Fund		
87571.342(PY Nil) Unit of HDFC Balance Fund Growth	10,527,739.20	-
1611.758(PY 1611.758) Unit of Rel. Diversified Power Sector Fund	65,787.29	65,787.29
94047.766 (P.Y 94047.766) Unit of ICICI Pru Corporate Bond Fund	1,900,000.00	1,900,000.00
Nil (P.Y 2,70,225.82) Unit of HDFC MF M.I.P (Growth)	-	5,421,976.07
Nil (P.Y 9,756.10) Unit of Birla Global Real Estate Fund	-	100,000.00
445870.916 (P.Y-445870.916 Units)ICICI Pru Balanced Adv Reg	11,302,827.71	11,302,827.71
359400.718units(PY-359400.718)Reliance Corporate Bond Funds	3,942,302.42	3,942,302.42
355045.87units(P.Y.- 492033.541) Reliance Equity Saving Funds	3,564,340.92	4,939,573.92
1,27,360.945(PY 1,27,360.945) Unit of Reliance Reg. Saving Fund-Balanced	2,159,927.00	2,159,927.00
91735.079(PY 186402.659) Unit of Reliance Reg. Saving Fund-Debt Plan	1,510,763.80	3,042,242.96
80466.615(PY 80466.615) Unit of Reliance Regular Saving Fund-Equity	<u>1,836,350.31</u>	<u>1,836,350.31</u>
	<u>36,810,038.65</u>	<u>34,710,987.68</u>
Market Value of Mutual Funds Investment	<u>49,396,808.27</u>	<u>45,489,653.53</u>
NOTE -11		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
Balances with bank:		
On Current Accounts:	47,857.47	122,589.78
Cash in hand	<u>541,328.16</u>	<u>676,650.16</u>
	<u>589,185.63</u>	<u>799,239.94</u>

VALLEY MAGNESITE COMPANY LIMITED

NOTE - 12	(Amount in ₹)	(Amount in ₹)
SHORT TERM LOANS AND ADVANCES	AS AT	AS AT
<i>(Unsecured considered good)</i>	31ST MARCH, 2017	31ST MARCH, 2016
Advances recoverable in cash or in kind to Others	7,355,000.00	5,800,000.00
<u>Other Loans and Advances</u>		
MAT Credit Entitlement	1,630,510.00	845,042.00
Advance Income Tax Paid	14,532.00	-
Income Tax Refundable	138,963.00	138,963.00
	9,139,005.00	6,784,005.00
NOTE - 13		
OTHER CURRENT ASSETS		
Prepaid Expenses	-	5,608.00
	-	5,608.00
NOTE - 14	(Amount in ₹)	(Amount in ₹)
OTHER INCOME	For the Year	For the Year
	2016 - 2017	2015 - 2016
Profit on Sale of Investment	5,836,336.66	7,905,178.61
	5,836,336.66	7,905,178.61
NOTE - 15		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Bonus	747,471.00	636,401.00
Gratuity	45,109.00	28,621.00
	792,580.00	665,022.00
NOTE - 16		
OTHER EXPENSES		
Payment to Auditor (Refer details below)	28,750.00	28,625.00
Rent & Maintenance Charge	120,000.00	120,000.00
Motor Car Expenses	41,108.00	127,034.00
Professional Fees	59,126.00	683,533.00
Loss on Sale of Fixed Assets	64,954.56	-
Registrar Fees	16,450.00	15,934.00
Listing Fees	249,038.00	1,477,525.00
Misc Expenses	311,935.00	283,816.26
	891,361.56	2,736,467.26
Payment to Auditor		
As Auditor (Including Service Tax)		
Statutory Audit Fee	28,750.00	28,625.00
	28,750.00	28,625.00
NOTE - 17		
EARNINGS PER SHARE(EPS)		
Net profit/(loss) after tax as per statement of Profit and Loss attributable to Equity Shareholders	4,463,647.09	5,269,122.42
Weighted average number of equity shares used as denominator for calculating EPS	1050000	1050000
Basic & Diluted Earning Per Share	4.25	5.02

NOTE - 18

As per information available with the Company, there are no suppliers covered under Micro, Small & Medium Enterprises Development Act,2006. As a result, no interest provision/payment have been made by the Company to such creditors, if any, and no disclosure thereof is made in this account.

VALLEY MAGNESITE COMPANY LIMITED

NOTE - 19

RELATED PARTY DISCLOSURE

There are no transactions or outstanding balances with the related party which is required to be disclosed in terms of the provisions of AS-18, issued by ICAI.

NOTE - 20

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the table below:

	SBN's	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	600,000.00	33,510.26	633,510.26
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in banks	600,000.00	-	600,000.00
Closing Cash in hand as on 30.12.2016	-	222,908.26	222,908.26

**(Amount in ₹)
For the Year
2016 - 2017**

**(Amount in ₹)
For the Year
2015 - 2016**

NOTE - 21

DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFIT"

(a) Net Employee Benefit Expenses (Recognised in Employee Benefits Expense)

(i) Current Service Cost	29,292.00	25,119.00
(ii) Interest Cost	6,440.00	4,580.00
(iii) Expected return on Plan Assets	-	-
(iv) Actuarial (gain) / Losses on obligation	9,377.00	(1,078.00)
(v) Total Expenses	45,109.00	28,621.00

(b) Net Assets (Liability) recognized in Balance Sheet

(i) Present value of obligation at the end of the year	130,982.00	28,621.00
(ii) Fair value of Plan Assets	-	-
(iii) Net Plan Assets / (Liability)	130,982.00	28,621.00

(c) Change in obligation during the year

(i) Present value of obligation at the beginning of the year	85,873.00	57,252.00
(ii) Current Service Cost	29,292.00	25,119.00
(iii) Interest Cost	6,440.00	4,580.00
(iv) Actuarial (Gain) / Losses on obligation	9,377.00	(1,078.00)
(v) Benefits Paid	-	-
(vii) Present value of obligation at the end of the year	130,982.00	85,873.00

(d) Change in Fair Value of Plan Assets during the year

(i) Plan Assets at the beginning of the year	-	-
(ii) Expected return on Plan Assets	-	-
(iii) Contributions by the employer	-	-
(iv) Benefits Paid	-	-
(v) Plan Assets at the end of the year	-	-
(vi) Plan Assets at the end of the year	-	-

(e) Actuarial Assumption

(i) Discount Rate	7.50%	8.00%
(ii) Expected return on Plan Assets	0.00%	0.00%

VALLEY MAGNESITE COMPANY LIMITED		
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(iii) Inflation Rate	6.00%	6.00%
(iv) Remaining Working Life	11 Years	10 Years
(v) Mortality Table	IALM 2006-2008	IALM 2006-2008

NOTE - 22

SEGMENT REPORTING

The Company has only one segment of business i.e. Investment & Finance and the Company operates in a single geographical segment viz. India, accordingly no separate segment reporting is applicable to the company.

NOTE - 23

IMPAIRMENT OF ASSETS

Pusuant to Accounting Standard 28-Impairment of Assets issued by Institute of Chartered Accountant of India, the company assessed its fixed assets for impairment as at 31st march, 2017 and concluded that there has been no significant impaired fixed assets that needs to be recognised in the books of accounts.

NOTE - 24

Previous year figures have been regrouped/rearranged wherever necessary.

As per our report of even date

For **A.K. Meharia & Associates**

Firm Registration Number-324666E

Chartered Accountants

(A.K. Meharia)

Partner

Membership Number 053918

Place: Kolkata

Date: 29 th May, 2017

For and on behalf of Board

Arun Kumar Agarwalla

Managing Director

DIN : 00607272

Sudha Agarwalla

Director

DIN : 00938365

Gaurang Agarwalla

Director

DIN : 06533183

Renuka Keswani

Company Secretary

Uttam Banerjee

CFO

VALLEY MAGNESITE COMPANY LIMITED

(CIN:L23109WB1988PLC045491)

Regd.Office:- A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata-700 001

Phone:033-22436242,

Email: valleymagnesite@gmail.com; Website: www.valleymagnesite.com

ATTENDANCE SLIP

29th Annual General Meeting – 18th September, 2017

(To be presented at the entrance)

Name of the attending Member(In Block Letters)
Folio :
DP ID CLIENT ID No.:
No.of Shares Held :
Name of PROXY (In Block Letters , to be filled in if Proxy Attends instead of the Member)

I hereby record my presence at the 29th Annual General Meeting of the Company held on Monday , 18th September, 2017 at 11.00 A.M at A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001

.....
Signature of the Member/Proxy

(to be signed at the time of handing over this slip)

--

VALLEY MAGNESITE COMPANY LIMITED

(CIN:L23109WB1988PLC045491)

Regd.Office:- A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata-700 001

Phone:033-22436242,

Email: valleymagnesite@gmail.com; Website: www.valleymagnesite.com

Form No. MGT 11 PROXY FORM

(28th Annual General Meeting – 29th September, 2016)

[Pursuant to Section 105(6) of the Companies Act, 2013 of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Folio No./DP ID-Client ID	
E-Mail ID	
No.of Shares	

I/We , being the member(s) of _____ shares of the named company, hereby appoint

1.Name:	
Address:	
Email Id	Signature
or failing him	
2.Name:	
Address:	
Email Id	Signature
or failing him	
3.Name:	
Address:	
Email Id	Signatureas my proxy to attend and vote for me/us and

on my/our behalf at the 29th Annual General Meeting of the Company , to be held on Monday , the 18th September, 2017 at 11.00 A.M at A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Sl.No.	Resolution	For	Against
Ordinary Business:			
1.	Adoption of Financial Statements of the Company for the year ended 31st March, 2017 together with the Director's & Auditors Report thereon.		
2.	Appointment of M/s V.M.D. & Associates, Chartered Accountants as Statutory Auditors of the Company .		
3.	To appoint a Director in place of Mrs. Sudha Agarwalla who retires by rotation and being eligible, offers herself for re-appointment.		

Signed this ____ day of _____ 2017

Revenue
Stamp

.....

Signature of Member

.....

Signature of proxy

Notes: (1) The proxy form to be effective should be duly completed , dated, signed , stamped and deposited at the registered office of the company at least 48 hours before the time fixed for holding the meeting.

(2) Please bring your copy of Annual Report to the Meeting.

--

Form No. MGT-12
Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies
(Management and Administration) Rules, 2014]

Name of the Company : Valley Magnesite Co.Ltd. Registered Office: A-402, Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001. CIN: L23109WB1988PLC045491

BALLOT PAPER

Name sole /First Named Shareholder (In Block Letters)			
Postal Address		1.	
Registered Folio No/ Client ID No.		No.of. Shares Held	

I hereby exercise my vote in respect Ordinary / Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Sl.No.	Resolution	I/We assent to the resolution For	I/We dissent to the resolution Against
Ordinary Business:			
1.	Adoption of Financial Statements of the Company for the year ended 31st March, 2017 together with the Director's & Auditors Report thereon.		
2.	Appointment of M/s V.M.D. & Associates, Chartered Accountants as Statutory Auditors of the Company .		
3.	To appoint a Director in place of Mrs. Sudha Agarwalla who retires by rotation and being eligible, offers herself for re-appointment.		

Signed this ___ day of _____ 2017

Signature of Shareholder(s)

Place _____

Note: Please read the instructions overleaf before exercising your vote.

--

VALLEY MAGNESITE COMPANY LIMITED

INSTRUCTIONS

1. This ballot paper is provided to enable the shareholder(s) or their proxy(ies) for voting by way of Ballot Paper, who does not have access to e-voting facility and / or who have not voted through e-voting , so that they can also participate in voting process through physical Ballot Paper.
2. A Member can opt for only one mode of voting i.e through e-voting or by Ballot Paper. If a Member casts votes by both modes, then voting done through e-voting shall prevail and voting by Ballot Paper shall be treated as invalid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system as well as the votes received through physical Ballot Papers from member(s) at the venue of AGM for declaring the final result for each of the Resolutions forming part of **29th AGM** Notice of Company.

Process and Manner for Members opting to vote by using the Ballot Paper.

1. Please complete and sign this Ballot Paper and drop in the locked Ballot Box provided in the meeting hall of this AGM for voting purpose.
2. This Ballot Paper should be signed by the Member as per the specimen signature registered with Registrar and Share Transfer Agent of the Company viz. M/s S.K.Infosolutions Pvt.Ltd. or by their proxy(ies) duly authorized by the Member. In case of Joint holding , the Ballot Paper should be completed and signed by the first named Member and in his/her absence, by the next named joint holder or by their proxy(ies) duly authorised by any Joint Holder(s). A power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an duly attested / notarized copy of the POA.
3. In case the shares are held by companies, trusts, societies etc . the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution / Authorization document(s).
4. Votes should be cast in case of each resolution separately either in favour or against by putting (✓) mark in the respective column provided in the Ballot Paper.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the Paid-up Equity Share Capital of the Company as on **Monday, 11th September, 2017** and each such share carries one voting right.
6. A member may request Ballot Paper from the Company or they can download the same from the website of the Company viz: **www.valleymagnesite.com** , if so required.
7. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. The Ballot Papers will also be rejected if it is torned , defaced or mutilated to the extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified with the available records.
8. The decision of the Scrutinizer on the validity of the Ballot Paper and any other related matter shall be final and binding.
9. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website i.e **www.valleymagnesite.com** within 3 working days of the conclusion of this AGM and on the website of CDSL whenever they upload, and will simultaneously be forwarded to the Stock Exchange(s) where the Company's shares are listed.



Route Map to AGM Venue

