

**VALLEY MAGNESITE
COMPANY LIMITED**

**26th
ANNUAL REPORT
2013-2014**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.Arun Kumar Agarwalla, Director
Mrs. Sudha Agarwalla, Director
Mr.Gaurang Agarwalla, Director
Mr.Uttam Banerjee, Director
Mr. Sandeep Kumar Pareek , Director

BANKERS

ORIENTAL BANK OF COMMERCE

STATUTORY AUDITORS

M/s A.K.Meharia & Associates
Chartered Accountants

REGISTERED OFFICE:

A-402, Mangalam,
24/26 Hemanta Basu Sarani,
Kolkata-700 001

REGISTRAR & SHARE TRANSFER AGENTS

Niche Technologies Pvt.Ltd
D-511, Bagree Market, 71, B.R.B.Basu Road,
Kolkata- 700 001.
Ph.: 033-22357270/71
Fax : 033-22156823

CIN

L23169WB1988PLC045491

VALLEY MAGNESITE COMPANY LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 26th Annual Report of the Company together with the Audited Statement of Accounts and the Auditor's Report for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Amount in ₹)

<u>PARTICULARS</u>	Year ended 31st March 2014	Year ended 31st March 2013
Profit before Tax	749,159.96	88,023.16
Provisions for Taxation		
- Current provisions	(142,752.00)	(17,275.00)
- Provision for deferred Tax	253,680.35	164,082.58
Profit after Tax	860,088.31	234,830.74
Balance Brought forward	219,54,441.32	217,19,610.57
Balance Carried forward to Balance Sheet	228,14,529.63	219,54,441.32

DIVIDEND

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

DIRECTORS

Mr. Uttam Banerjee and Mr. Sandeep Pareek, directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re- appointment

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public in the meaning of section 58A of the Companies Act, 1956.

EMPLOYEES

There was no employee of the Company coming under the purview of disclosure required under Section 217(2A) of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975.

AUDITOR'S & AUDITORS' REPORT

The Auditors of the Company, Messrs A.K. Meharia & Associates, Chartered Accountants, retires at the Conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re- appointment.

The notes on accounts referred to the Auditors Report are self explanatory and therefore, do not call for any further explanation.

CORPORATE GOVERNANCE

The detailed Report on Corporate Governance in terms of Clause 49 of the Listing Agreement is attached to the Annual Report.

VALLEY MAGNESITE COMPANY LIMITED

SUBSIDIARY

The Company do not have any subsidiary company during or at the end of the year.

DEPOSITORY SYSTEM & LISTING OF SHARES

The Company's script has come under compulsory dematerialization for all investors. The ISIN no. allotted to the equity shares of the company is INE834E01016. The Equity Shares of the Company are listed on The Calcutta Stock Exchange Association Ltd .

STATUTORY INFORMATION

The Company being basically in the non manufacturing activity during the year under review, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules are not applicable.

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

The information required u/s. 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure in the Report of the Board of Directors) Rules, 1988 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.

ACKNOWLEDGEMENTS

Your Directors acknowledge the support and gratitude of the shareholders, Investors & Bankers. Last but not the least, your Directors place on record their sense of appropriation of the valuable contribution made by the employees of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

In order to avoid duplication between the Directors Report and the Management discussion and Analysis, we present below a composite summary as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India of the same herein below:

During the year under review, your company could not indulge in the manufacturing or trading activities despite the best of the efforts. For maximum utilization of the company's funds, the resources of the company have invested in financing activities. The main activity of the company is financing and investment/trading in shares.

OPPORTUNITIES & THREATS, RISKS & CONCERNS, PERFORMANCE AND OUTLOOK

The Company bears the normal risk in terms of inherent business risk in the kind of business the company is into. The Board of the company has taken a balanced approach for investing in these activities.

RISK & CONCERNS

Over the years, your Company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The primary risks that the company is exposed to are, credit risk, market risk and operational risk. Deriving from the long years of experience in financing and trading in securities, your Company's credit policy framework is designed to provide the right balance between business growth and portfolio quality. The Company's philosophy of not outsourcing the credit appraisal process has ensured that credit filters are uniformly applied by experienced and well-trained employees. The Audit Committee, lays down policies and tolerance levels that involve assessing of various types of risks and altering the asset-liability portfolio in a dynamic way, in order to manage such risks. Liquidity and interstate risks, within the limits laid down by the board, are constantly

VALLEY MAGNESITE COMPANY LIMITED

monitored by the Audit Committee The Risk Management framework is dynamic and will continue to evolve in line with the emerging risk perceptions.

During the year, your Company has constituted a Risk Management. Committee, in accordance with the Guidelines on Corporate Governance issued by the Reserve Bank of India, to monitor the risk management framework on an ongoing basis with a view to ensuring that risk parameters are within defined limits. Consequently, the scope of the Audit Committee has been appropriately redefined.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing our Company's objectives, expectations or predictions may be forward looking within the meaning of applicable regulations and other legislations. Actual results may differ materially from those expressed in the statement. Important factors that could influence Company's operations include global and domestic financial market conditions affecting the interest rates, availability of resources for the financial sector, market for lending, changes in regulatory directions issued by the Government, tax laws, economic situation and other relevant factors.

EMPLOYER EMPLOYEE RELATIONSHIP

The company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with section 217(2AA) of the Companies Act, 1956 the Directors of the Company hereby state that.

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- b) The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss of the company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.

Place: Kolkata
Dated: 29th May. 2014

For and on behalf of the Board
Arun Kumar Agarwalla
Director

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 2014:

As on 31st March 2014, the Company had 5 Directors. The Board of Directors Comprise of Three Non Executive and Non Independent directors and Two Non Executive Independent directors.

Director	Category	Board Meeting Attendance	Annual General Meeting Attendance	Directorship in other companies*	Committee membership**	Committee chairmanship**
Arun Kumar Agarwalla	Non Executive/ Non-Independent Director	08	Yes	02	02	03
Sudha Agarwalla	Non Executive/ Non-Independent Director	08	Yes	02	02	01
Gaurang Agarwalla	Non Executive,/ Non- Independent Director	05	Yes	01	Nil	Nil
Uttam Banerjee	Non Executive/ Independent Director	08	Yes	01	02	02
Sandeep Kumar Pareek	Non Executive/ Independent Director	08	Yes	Nil	01	Nil

* Other directorships do not include directorship of private limited companies, companies registered u/s 25 of Companies Act and of companies incorporated outside India.

** Chairmanship/Membership of Board committees includes Membership of Audit, Remuneration and shareholders/Investor's grievance 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.

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

Number of Board Meetings Held	:	10
Date on which held	:	30th April 2013, 27th June 2013, 25th July 2013, 31st July 2013, 21ST August 2013, 31st Oct. 2013, 12th December, 2013, 31st January 2014

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.

Name of Independent directors and their shareholding in the Company as on 31st March 2014 are as follows:

Name of Directors	No. of Shares held
Uttam Banerjee	Nil
Sandeep Kumar Pareek	Nil

Changes in Composition of the Board of Directors since Last Report:

There are no changes in the composition of the Board of Directors of the Company since last Report.

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

As required under Clause 49(IV)(G)(i) of the Listing Agreements, brief profiles of the directors are appended below:

a) Mr.Arun Kumar Agarwalla

Name of the Director	Mr.Arun Kumar Agarwalla
Father's Name	Late Kishan Lal Agarwalla
Director Identification No.(DIN)	00607272
Date of Birth	27.07.1960
Date of Appointment	03.11.1988
Qualifications	B.Com
Experience	Mr. Arun Kumar Agarwalla is a Commerce Graduate from Ranchi University having experience of over 33 Years in Capital Market. He is recognized for his experience in the field of Accounts, Investments and Fund Management. He is also well versed with the technical and fundamental analysis of Capital Markets.
Directorship in other Companies	Saumya Consultants Limited Ganodaya Finlease Limited Singhal Towers Private Limited Balaji Vaisneo Trading Pvt.Ltd

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Chairman/Member of the Committee of the Board of Directors of the Company	Chairman: Shareholder's Investors Grievance Committee Member: Audit Committee
Membership / Chairmanship of Committees of the other public companies in which he is a Director	Saumya Consultants Limited Chairman: Shareholder's / Investors Grievance Committee Ganodaya Finlease Limited Chairman: Shareholder's / Investors Grievance Committee Member: Audit Committee
No. of Shares held in the Company	161900

b) 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 19 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 Finlease Limited Singhal Towers Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Chairperson Audit Committee
Membership / Chairmanship of Committees of the other public companies in which She is a Director	Saumya Consultants Limited Member: Shareholder's / Investors Grievance Committee Audit Committee
No. of Shares held in the Company	106000

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c) Gaurang Agarwalla

Name of the Director	Mr. Gaurang Agarwalla
Father's Name	Sri Arun Kumar Agarwalla
Director Identification No.(DIN)	06533183
Date of Birth	01.11.1994
Date of Appointment	22.03.2013
Qualifications	BBA
Experience	Mr. Gaurang Agarwalla has done BBA in finance from St. Xaviers College, Kolkata having experience of over 2 Years in the field of Investment and Finance Business.
Directorship in other Companies	01
Chairman/Member of the Committee of the Board of Directors of the Company	Nil Nil
Membership / Chairmanship of Committees of the other public companies in which he is a Director	
No.of Shares held in the Company	Nil

d) Uttam Banarjee

Name of the Director	Mr.Uttam Banerjee
Father's Name	Late Ananda Prasad Banerjee
Director Identification No.(DIN)	00607337
Date of Birth	07.04.1960
Date of Appointment	01.10.2010
Qualifications	B.Com
Experience	Mr. Uttam Banerjee is a Commerce Graduate from Burdwan University having experience of over 32 Years in Capital Market. He is recognized for his experience in the field of Accounts, Investments and Fund Management.
Directorship in other Companies	Dhanverdhi Exports Limited Swagtam Distributors Private Limited Vidyut Dealers Private Limited Sashwat Infraprojects Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member : Audit Committee Shareholder's / Investors Grievance Committee
Membership / Chairmanship of Committees of the other public companies in which he is a Director	Dhanverdhi Exports Limited Chairman: Audit Committee Member: Shareholder's / Investors Grievance Committee
No.of Shares held in the Company	Nil

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e) Sandeep Kumar Pareek

Name of the Director	Mr. Sandeep Kumar Pareek
Father's Name	Late Jagdish Sharma
Director Identification No.(DIN)	00607092
Date of Birth	01.12.1970
Date of Appointment	01.10.2010
Qualifications	B.Com (Hons.)
Experience	Mr. Sandeep Kumar Pareek is a Commerce Graduate from Kolkata University having experience of over 18 Years in Capital Market. He is recognized for his experience in the field of Accounts, Finance, Investments, Taxation.
Directorship in other Companies	Vidyut Dealers Private Limited Swagtam Distributors Private Limited Sashwat Infraprojects Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member : Shareholder's / Investors Grievance Committee
Membership / Chairmanship of Committees of the other public companies in which he is a Director	Nil
No.of Shares held in the Company	Nil

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. The required declarations in respect of the Financial Year 2013-14 have been received. There was no materially significant transactions during the Financial Year with Board Members & Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

3. Audit committee

The Audit committee was set up by the Board of Directors, The terms of reference of this committee were the matters specified for Audit committee under clause 49 of the listing Agreement entered into with the Stock Exchange. The terms of reference also confirm to the requirements of Section 292A of the Act.

a) Details of the Audit Committee Meetings Held :

Date of Meeting	No. of Members Attended
29.04.2013	Four
23.06.2013	Four
30.07.2013	Four
30.10.2013	Four
30.01.2014	Four

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b) The Composition of the Committee and the attendance of each member at Meetings were as follows:

Members	Designation	Category	No. of Meeting Attended
Sudha Agarwalla	Chairman	Non Executive Non Independent	5
Arun Kumar Agarwalla	Member	Non Executive Non Independent	5
Uttam Banerjee	Member	Non Executive/Independent	5

The Audit Committee has been reconstituted by the Board of Directors w.e.f. 18/06/2014. The new constitution would be as follows:

Members	Designation	Category
Sambhu Nath Modi	Chairman	Non Executive Independent
Pratap Ram Ganguly	Member	Non Executive Independent
Arun Kumar Agarwalla	Member	Non Executive Non Independent

4. Nomination and Remuneration Committee (Formerly Remuneration Committee):

As on 31st March 2014, the company has not constituted any 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 revised Clause 49 of the Listing Agreement, Remuneration Committee were renamed "Nomination and Remuneration Committee" of the Board of Directors of the Company.

The Nomination and Remuneration Committee has been constituted w.e.f. 18/06/2014. The Constitution would be as follows:

Members	Designation	Category	No. of Meeting Attended
Pratap Ram Ganguly	Chairman	Non Executive Independent	NIL
Sambhu Nath Modi	Member	Non Executive Independent	NIL
Sandeep Kumar Pareek	Member	Non Executive Non Independent	NIL

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 evaluation of every 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.
- This Committee shall formulate a remuneration policy in accordance with the applicable provisions of the Companies Act 2013 and Listing Agreement, amended from time to time.

Remuneration of Directors:

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

5. Stakeholders Relationship and Investors Grievance Committee (Formerly Shareholder's/Investors Grievance Committees):

Stakeholders Relationship and Investors Grievance Committee has been reconstituted by the Board of Directors w.e.f. 18/06/2014 in compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and revised Clause 49 of the Listing

VALLEY MAGNESITE COMPANY LIMITED

Agreement. The Committee is responsible for the satisfactory redressal of Investors grievances and recommends measures for overall improvement in the quality of investor's services.

During the year 2013-14, one meeting of the Shareholder's/Investors Grievance Committees was held on 16/09/2013.

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 Attended
Pratap Ram Ganguly	Chairman	1
Sambhu Nath Modi	Member	1
Arun Kumar Agarwalla	Member	1

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. 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
2012-2013	28th September 2013	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	10.00 A.M
2011-2012	28th September 2012	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	10.00 A.M
2010-2011	28th September 2011	A-402 Mangalam, 24/26 Hemanta Basu Sarani, Kolkata- 700 001	10.30 A.M

b) Special Resolutions passed at previous three AGMs:-

No Special Resolution was put through postal ballot or otherwise at previous three AGM's

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

7. Disclosures:

a) Disclosures on materially significant related party transaction:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under AS-18.

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

The Company has complied with all the requirements of the listing agreements with the Stock

VALLEY MAGNESITE COMPANY LIMITED

Exchange(s) as well as regulations and guidelines of the SEBI. No penalties have been imposed or strictures has been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.

8. Means of Communication:

The Annual, Half Yearly and Quarterly results are submitted to the stock exchanges in accordance with listing agreement and published in newspapers. These are not sent individually to shareholders.

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

9. 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.

10. General Shareholders Information:

a) Annual General Meeting

Date : 29th September, 2014.
Time : 10.00 AM
Venue : Registered Office;
A-402, Mangalam,
24/26 Hemanta Basu Sarani, Kolkata- 700 001.

b) Financial year of the Company : 2013-2014

c) Book Closure Date : 25th September, 2014 to 29th September, 2014
(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.	The Calcutta Stock Exchange Association Ltd.

ISIN No. for Dematerialization of Shares : INE834E01016

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

g) Registrar and share transfer Agent
(for Both: Physical and Dematerialized share transfers) : Niche Technologies Pvt. Ltd
D-511, Bagree Market, 71, B.R.B. Basu Road,
Kolkata- 700 001.
Email: nichetechpl@nichetechpl.com

All requests received by the Registrar and Share Transfer Agent/Company for Dematerialisation/Re-materialisation/transfer is disposed off expeditiously. Share Certificates duly endorsed are issued/transferred to all those shareholders, who opt for shares in the physical Form.

VALLEY MAGNESITE COMPANY LIMITEDh) Distribution of Shareholding as on 31.03.2014:-

No. of Equity Shares held	No. of Share-Holders	% of Share-holders	No. of Share held	% of Share holdings
Upto 500	1334	97.94	143500	13.67
501-1000	06	00.44	4000	0.38
1001-5000	06	00.44	14600	1.39
5001-10000	09	00.66	81400	7.75
10001- & above	07	00.52	806500	76.81
	1362	100.00	1050000	100.00

i) Categories of Shareholders as on 31.03.2014 :-

Category	No. of Share-Holders	% of Share-holders	No. of Share held	% of Share held
Promoters Bodies	3	0.22	287500	27.38
Corporate	13	0.95	600400	57.18
Public	1346	98.93	162100	15.44
	1362	100.00	1050000	100.00

j) Dematerialization of Shares and liquidity:

Nil Equity Shares have been dematerialized upto 31st March, 2014.

K) Address for Correspondence:**Registered Office**

A-402, Mangalam,
24/26 Hemanta Basu Sarani, Kolkata- 700 001
Phone: (033)2243-6242/6243
Fax : (033)2231-0835
Email :valleymagnesite@yahoo.in

11.Compliance of Clause 49 pertaining to mandatory requirements & Auditors Certificate on Corporate Governance:

The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

As required under Clause 49 of the Listing Agreement, 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.

Dated: 29th day of August, 2014

(Arun Kumar Agarwalla)
Director

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 as stipulated in clause 49 of the Listing Agreement by Valley Magnesite Company Limited for the year ended 31st March, 2014.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders Grievance Committee.

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

For A. K. Meharia & Associates
Chartered Accountants
FRN. 324666E
A. K. Meharia
Partner
Membership No. 53918

Place: Kolkata.
Dated: 29.08.2014

VALLEY MAGNESITE COMPANY LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of VALLEY MAGNASITE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and 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

Management is responsible for 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

VALLEY MAGNESITE COMPANY LIMITED

2. As required by section 227(3) of the Act, we report that:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches;
 - (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 and with the returns received from branches not visited by us;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For A.K. MEHARIA & ASSOCIATES

Chartered Accountants

Firm Reg No. 324666E

(A.K. MEHARIA)

PARTNER

Membership No. 53918

Dated: 29th May, 2014

Place: Kolkata

VALLEY MAGNESITE COMPANY LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The company has not disposed there any of the fixed assets during the year so as to affect its going concern status.
- ii) The Company does not have any inventory during the year.
- iii) The company has not granted any loan to company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories, fixed asset and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) In our opinion and according to the information and explanations given to us, there are no particulars of contracts or arrangements that are required to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the clause 4(v)(b) of the order is not applicable.
- vi) The Company has not accepted any deposit from the public as stipulated under the Provisions of section 58A and 58AA of the Companies Act, 1956.
- vii) The Company has an internal audit system which, in our opinion, is commensurate with the size of the company and nature of its business.
- viii) In our opinion maintenance of cost record under clause (d) sub-section (1) of section 209 of the Companies Act, 1956 as prescribed by the Central Government, are not applicable to the Company.
- ix) 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.
 - b) According to the information and explanations given to us, there is no undisputed amount payable in respect of statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2014.
 - c) 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.
- x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial period
- xi) The Company does not owe any amount from financial institutions, banks and debenture holders during the year
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

VALLEY MAGNESITE COMPANY LIMITED

- xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore clause 4(xiii) of the order is not applicable to the Company.
- xiv) In our opinion, proper records have been maintained and timely entries have been made therein in respect of transaction for dealing or trading in shares, securities, debentures and other investments and contracts. The shares, securities and other investments are held by the Company in its own name.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) In our opinion and on the basis information and explanations given to us, the Company has not applied or obtained any term loan.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For A.K. MEHARIA & ASSOCIATES

Chartered Accountants

Firm Reg No. 324666E

(A.K. MEHARIA)

PARTNER

Membership No. 53918

Dated: 29th May, 2014

Place: Kolkata

VALLEY MAGNESITE COMPANY LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2014**

		(Amount in ₹) AS AT 31ST MARCH, 2014	(Amount in ₹) AS AT 31ST MARCH, 2013
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders Fund</u>			
Share Capital	1	10,500,000.00	10,500,000.00
Reserve & Surplus	2	30,079,160.47	29,219,072.16
<u>Current Liabilities</u>			
Other Current Liabilities	3	60,340.00	43,400.00
Short Term Provisions	4	395,149.00	252,397.00
Total		41,034,649.47	40,014,869.16
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Fixed Assets	5	449,140.90	505,782.90
Non-Current Investments	6	1,761,000.00	1,761,000.00
Deferred Tax Assets(Net)	7	809,448.14	555,767.79
<u>Current Assets</u>			
Current Investment	8	30,723,471.29	30,134,534.05
Cash & Bank Balances	9	852,552.14	771,613.42
Short Term Loans & Advances	10	6,433,873.00	6,278,873.00
Other Current Assets	11	5,164.00	7,298.00
Total		41,034,649.47	40,014,869.16
Significant Accounting Policies	20	-	-

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

As per our report of even date
For A.K. MEHARIA & ASSOCIATES
Chartered Accountants
Firm Reg No. 324666E
(A.K. MEHARIA)
PARTNER
Membership No. 53918

For and on behalf of Board
Arun Kumar Agarwalla }
Sudha Agarwalla } Directors
Gaurang Agarwalla }

Dated: 29th May, 2014
Place: Kolkata

VALLEY MAGNESITE COMPANY LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	NOTES	(Amount in ₹) For the Year 2013 - 2014	(Amount in ₹) For the Year 2012 - 2013
INCOME			
Revenue from Operation		-	-
Other Income	12	1,364,253.26	617,414.81
Total Revenue		1,364,253.26	617,414.81
EXPENSES			
Employee Benefit Expenses	13	223,904.00	185,227.00
Depreciation & Amortization Expenses	5	56,642.00	56,642.00
Others expenses	14	334,547.30	287,522.65
Total Expenses		615,093.30	529,391.65
Profit/(Loss) Before Tax		749,159.96	88,023.16
Tax Expense:			
Current Tax		(142,752.00)	(17,275.00)
Deferred Tax Asset/(Liability)		253,680.35	164,082.58
Interest on Income Tax		-	-
Profit/(Loss) for the Period		860,088.31	234,830.74
Earning Per equity Share-Basic & Diluted	15	0.82	0.22
Face Value Per Share (In `)		10.00	10.00
Significant Accounting Policies	20		

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

As per our report of even date

For A.K. MEHARIA & ASSOCIATES

Chartered Accountants

Firm Reg No. 324666E

(A.K. MEHARIA)

PARTNER

Membership No. 53918

For and on behalf of Board

Arun Kumar Agarwalla }
Sudha Agarwalla } Directors
Gaurang Agarwalla }

Dated: 29th May, 2014

Place: Kolkata

VALLEY MAGNESITE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	(Amount in ₹) AS AT 31ST MARCH, 2014	(Amount in ₹) AS AT 31ST MARCH, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit & Loss Account	749,159.96	88,023.16
Adjustment for:		
Depreciation	56,642.00	56,642.00
Profit on sale of Investment	(1,351,350.26)	(611,690.81)
Operating Profit before Working Capital Changes	(545,548.30)	(467,025.65)
Adjustment for Working Capital changes:		
Prepaid Expenses	2,134.00	(3,088.00)
Trade Payable & Other Liabilities	16,940.00	(17,141.00)
Change in Provisions	-	(392,075.00)
Cash Generated from Operation	(526,474.30)	(879,329.65)
Net Cash Flow From Operating Activities	A) (526,474.30)	(879,329.65)
Cash Flow From Investing Activities		
Profit on Sale of Investment	1,351,350.26	611,690.81
Movement in Short Term Loans & Advances	(155,000.00)	480,000.00
Decrease (Increase) in Investment	(588,937.24)	74,019.73
Net Cash Flow From Investing Activities	B) 607,413.02	1,165,710.54
Cash Flow From Financing Activities		
Interest Received	-	-
Net Cash Flow from financing Activities	C) -	-
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 80,938.72	286,380.89
Cash and cash equivalent at the beginning of the year	771,613.42	485,232.53
Cash and Cash Equivalent at the end of the year	852,552.14	771,613.42

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 (Accounting Standard) Rules, 2006
- 2 Figures of the previous period has been rearranged/ regrouped where ever considard necessary.

As per our report of even date
For A.K. MEHARIA & ASSOCIATES
Chartered Accountants
Firm Reg No. 324666E
(A.K. MEHARIA)
PARTNER
Membership No. 53918
Dated: 29th May, 2014
Place: Kolkata

For and on behalf of Board
Arun Kumar Agarwalla }
Sudha Agarwalla } Directors
Gaurang Agarwalla }

VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

	(Amount in ₹) AS AT <u>31ST MARCH, 2014</u>	(Amount in ₹) AS AT <u>31ST MARCH, 2013</u>
NOTE - 1		
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	<u>10,500,000.00</u>	<u>10,500,000.00</u>
	<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 31ST MARCH, 2014		AS AT 31ST MARCH, 2013	
	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	112,000.00	10.67%	112,000	10.67%
Vidyut Dealers Pvt Ltd	147,000.00	14.00%	147,000	14.00%

NOTE - 2

	AS AT <u>31ST MARCH, 2014</u>	AS AT <u>31ST MARCH, 2013</u>
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	<u>2,617,536.84</u>	<u>2,617,536.84</u>
	<u>7,264,630.84</u>	<u>7,264,630.84</u>
Profit & Loss Account		
Balance as per last financial statement	21,954,441.32	21,719,610.57
Profit/(Loss) for the year	860,088.31	234,830.74
	<u>22,814,529.63</u>	<u>21,954,441.32</u>
	<u>30,079,160.47</u>	<u>29,219,072.16</u>

NOTE -3

OTHER CURRENT LIABILITIES

Sundry Creditors for Exp. & Others	57,531.00	43,400.00
Statutory Dues	2,809.00	-
	<u>60,340.00</u>	<u>43,400.00</u>

NOTE - 4

SHORT TERM PROVISIONS

Provision for Taxation	395,149.00	252,397.00
	<u>395,149.00</u>	<u>252,397.00</u>

VALLEY MAGNESITE COMPANY LIMITED

NOTES SHOWING DETAIL OF FIXED ASSETS AS AT 31ST MARCH, 2014

NOTES - 5

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 1.04.2013	Additions	Sales/ Adjustments	As on 31.03.2014	Upto 31.03.2013	Sales/ Adjustments for the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Sales/ Motor Car	550,430.00	-		550,430.00	72,061.30	52,291.00	124,352.30	426,077.70	478,368.70
Computer	22,360.00	-		22,360.00	9,474.00	3,625.00	13,099.00	9,261.00	12,886.00
Television	15,290.00	-		15,290.00	761.80	726.00	1,487.80	13,802.20	14,528.20
Total Rs.	588,080.00	-		588,080.00	82,297.10	56,642.00	138,939.10	449,140.90	505,782.90
Previous Year	588,080.00	-		588,080.00	25,655.10	56,642.00	82,297.10	505,782.90	562,424.90

VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

	(Amount in ₹) AS AT 31ST MARCH, 2014	(Amount in ₹) AS AT 31ST MARCH, 2013
NOTE -6		
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 .	61,000.00	61,000.00
	61,000.00	61,000.00
Unquoted Equity Instruments		
(Face Value: Rs.10/- each fully paid up)		
Investment in Other company		
10,000 (P.Y.10,000) Equity Share of Shree Kishan Himghar Pvt Ltd	500,000.00	500,000.00
20,000 (P.Y. 20,000) Equity Share of Core Mercantiles Pvt Ltd	400,000.00	400,000.00
40,000 (P.Y.40,000) Equity Share of Windsor Mercantiles Pvt Ltd	800,000.00	800,000.00
	1,700,000.00	1,700,000.00
	1,761,000.00	1,761,000.00
Total Investment	1,761,000.00	1,761,000.00
Market Value of Quoted Investment	36,600.00	36,600.00
NOTE -7		
DEFERRED TAX ASSETS		
On account of		
Carried forward of losses	803,942.09	539,234.45
On carrying amount of fixed assets	5,506.05	16,533.34
	809,448.14	555,767.79
NOTE - 8		
CURRENT INVESTMENTS		
Trade Investments (Valued at cost unless stated otherwise)		
Mutual Fund		
Nil(P.Y.1,70,000) Unit of Icici Pru Fixed Maturity Plan Sr-59 Plan E	-	1,700,000.00
Nil(P.Y.1,34,391.442) Unit of Reliance Annual Interval Fund Sr-1 Retail	-	2,000,000.00
180000(P.Y.Nil) Unit of Icici Pru Fixed Maturity Plan Sr-70 Plan K	1,800,000.00	-
2,50,000(P.Y.2,50,000)Unit of Reliance Dual Advantage FundPlan A	-	2,500,000.00
1,50,000(P.Y.1,50,000)Unit of Reliance Dual Advantage FundPlan B	-	1,500,000.00
1611.758(P.Y NIL) Unit of Rel. Diversified Power Sector Fund	65,787.29	-
220841.581(P.Y Nil) Unit of Rel. Dynamic Bond Fund	3,660,047.16	-
25,000.00(P.Y 25,000.00) Unit of Rel. Fixed Horizon Fd. Sr-21	-	250,000.00
100,000.00(P.Y Nil) Unit of Rel. Fixed Horizon Fd. Sr-6	-	1,000,000.00
34,769.42(P.Y 34,769.42) unit of Birla Sunlife India Reforms Fund	347,694.15	347,694.15
50,000(P.Y 50,000) Unit of HDFC Infrastructure Fund	500,000.00	500,000.00
2,70,225.82 (P.Y 2,70,225.82) Unit of HDFC MF M.I.P (Growth)	5,421,976.07	5,421,976.07
2,90,899.14(P.Y 2,90,899.14) Unit of ICICI Pru M.I.P (Growth)	6,800,000.00	6,800,000.00
9,756.10(P.Y 9,756.10) Unit of ING Global Real Estate Fund	100,000.00	100,000.00
14,669.93(P.Y 14,669.93)unit of Reliance Infrastructure Fund	-	150,000.00
217.289 (P.Y 100.098) Unit of Rel. Money Manager Fund Growth	366,600.70	154,263.87
1,47,233.29(P.Y 1,47,233.29)Reliance MIP G	2,842,058.98	2,842,058.98
1,27,360.95(P.Y 1,27,360.95) Unit of Reliance Reg. Saving Fund-Balanced	2,159,927.00	2,159,927.00
242601.635(P.Y Nil) Unit of Reliance Reg. Saving Fund-Debt Plan	3,950,765.96	-
99,100.02(P.Y 99,100.02) Unit of Reliance Regular Saving Fund-Equity	2,258,613.98	2,258,613.98
45,000(P.Y 45,000) Unit of Tata Indo Global Infrastructure Fund	450,000.00	450,000.00
	30,723,471.29	30,134,534.05
Market Value of Mutual Funds Investment	39,005,732.25	37,108,780.35

VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2014

	(Amount in ₹) AS AT 31ST MARCH, 2014	(Amount in ₹) AS AT 31ST MARCH, 2013
NOTE - 9		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
Balances with bank:		
On Current Accounts:	11,125.98	55,212.26
Cash in hand	<u>841,426.16</u>	<u>716,401.16</u>
	<u>852,552.14</u>	<u>771,613.42</u>
NOTE - 10		
SHORT TERM LOANS AND ADVANCES		
<i>(Unsecured considered good)</i>		
Advances recoverable in cash or in kind	5,800,000.00	5,800,000.00
Other Loans and Advances		
Advance Income Tax Paid	495,000.00	340,000.00
FBT Paid	5,784.00	5,784.00
TDS Paid	133,089.00	133,089.00
	<u>6,433,873.00</u>	<u>6,278,873.00</u>
NOTE - 11		
OTHER CURRENT ASSETS		
Prepaid Expenses	<u>5,164.00</u>	<u>7,298.00</u>
	<u>5,164.00</u>	<u>7,298.00</u>
NOTE - 12		
OTHER INCOME		
Profit on Sale of Investment	1,351,350.26	611,690.81
Interest Received on IT Refund	1,380.00	5,724.00
Insurance Claim Received	11,523.00	-
	<u>1,364,253.26</u>	<u>617,414.81</u>
NOTE - 13		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Bonus	<u>223,904.00</u>	<u>185,227.00</u>
	<u>223,904.00</u>	<u>185,227.00</u>
NOTE - 14		
OTHER EXPENSES		
Payment to Auditor (Refer details below)	28,090.00	28,090.00
Bank Charge	264.50	328.25
Rent & Maintenance Charge	60,000.00	60,000.00
Interest on Profession Tax	-	2,600.00
Motor Car Expenses	85,255.00	-
Registrar Fees	10,112.00	-
Misc Expenses	150,825.80	196,504.40
	<u>334,547.30</u>	<u>287,522.65</u>
Payment to Auditor		
As Auditor (Including Service Tax)		
Statutory Audit Fee	<u>28,090.00</u>	<u>28,090.00</u>
	<u>28,090.00</u>	<u>28,090.00</u>

VALLEY MAGNESITE COMPANY LIMITED**Notes to Financial Statements for the year ended 31st March, 2014**

	(Amount in ₹) AS AT <u>31ST MARCH, 2014</u>	(Amount in ₹) AS AT <u>31ST MARCH, 2013</u>
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NOTE - 15**EARNINGS PER SHARE(EPS)**

Net profit/(loss) after tax as per statement of Profit and Loss attributable to Equity Shareholders	860,088.31	234,830.74
Weighted average number of equity shares used as denominator for calculating EPS	1050000	1050000
Basic & Diluted Earning Per Share	0.82	0.22

NOTE - 16

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.

NOTE - 17

Previous year figures have been regrouped/rearranged wherever necessary.

NOTE - 18**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 - 19**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 - 20**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 the Companies (Accounting Standards) Rules, 2006,(as amended) and the relevant provisions of the Companies Act,1956. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

VALLEY MAGNESITE COMPANY LIMITED

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:

Depreciation on fixed assets has been provided on straight line method (SLM) at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956 of India.

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.

As per our report of even date

For A.K. MEHARIA & ASSOCIATES

Chartered Accountants

Firm Reg No. 324666E

(A.K. MEHARIA)

PARTNER

Membership No. 53918

Dated: 29th May, 2014

Place: Kolkata

For and on behalf of Board

Arun Kumar Agarwalla }
Sudha Agarwalla } Directors
Gaurang Agarwalla }

If undelivered please return to :

VALLEY MAGNESITE COMPANY LIMITED

CIN:L23169WB1988PLC045491

REGISTERED OFFICE :

A-402, Mangalam, 24/26 Hemanta Basu Sarani,
Kolkata- 700 001, West Bengal, India