

ANNUAL REPORT: 2012-13

VALLEY MAGNESITE COMPANY LIMITED

A. K. MEHARIA & ASSOCIATES

CHARTERED ACCOUNTANTS

2, Garstin Place, 5th Floor, Kolkata – 700001

Phone: 2243 – 4659 / 2243 – 4660

Email : akmeharia@gmail.com

VALLY MAGNESITE COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th 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 Saturday, the 28th day of September, 2013 at 10.00 A.M to transact the following businesses :-

ORDINARY BUSINESS :

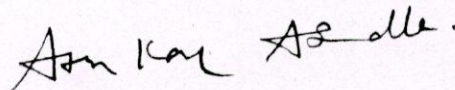
1. To consider and adopt the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date and the reports of Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares, if any.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass the following Resolutions, with or without modifications as an Ordinary Resolution:

“RESOLVED THAT M/s A.K Meharia & Associates, Chartered Accountants (Firm Registration No. 324666E) be and are hereby appointed as Statutory Auditors of the Company, from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

4. To appoint Director in Place of Mr. Arun Kumar Agarwalla and Mrs. Sudha Agarwalla who retires by rotation and is eligible for re-appointment.

By order of the Board of Directors

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



Dated: The 29th day of June, 2013

VALLY MAGNESITE COMPANY LIMITED

Notes :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/herself and the proxy need not be a member of the Company.
2. The instrument appointing the Proxies must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
3. Members are requested :
 - i) To please bring their copies of the Annual Report along with them to the Annual General Meeting as no extra copy of the Annual Report will be supplied at the meeting.
 - ii) To send their queries at least 10 days in advance of the meeting so that the information can be made available at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th day of September, 2013 to 28th day of September, 2013 (both days inclusive).
5. Members/Proxies should bring the attendance slip duly filed for attending the Meeting.
6. 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.

Information required to be furnished in pursuance of clause 49 of the listing agreement.

The particulars of Directors who are proposed to be appointed/re-appointed/retiring by rotation are given below:

Name	Age	Qualification	Expertise	Other Directorship
Arun Kumar Agarwalla	53	B. Com	Finance	Saumya Consultants Ltd. Ganodaya Finlease Ltd. Singhal Towers Pvt. Ltd. Balaji Vaisneo Trading Pvt. Ltd.
Sudha Agarwalla	49	B. Com	Finance	Saumya Consultants Ltd. Ganodaya Finlease Ltd.

VALLEY MAGNESITE COMPANY LIMITED
DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 25th Annual Report of the Company together with the Audited Statement of Accounts and the Auditor's Report for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Amount in ₹)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Profit before Tax	88,023.16	(2,61,858.82)
Provisions for Taxation		
- Current provisions	(17,275.00)	(0.00)
- Provision for deferred Tax	164,082.58	(36,758.28)
	234,830.74	(2,98,617.71)
Other Adjustments	--	(3,939.00)
Profit after Tax	234,830.74	(3,02,556.10)
Balance Brought forward	217,19,610.57	220,22,166.67
Balance Carried forward to Balance Sheet	219,54,441.32	217,19,610.57

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. Arun Kumar Agarwalla and Mrs. Sudha Agarwalla, 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.

PERSONNEL

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

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 reappointment.

VALLEY MAGNESITE COMPANY LIMITED

: 2 :

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: The 27th day of June, 2013.

For and on behalf of the Board

Anil Kumar

Sudha Agwala

Gaurang Agwala

VALLY MAGNESITE COMPANY LIMITED **CORPORATE GOVERNANCE**

1. **Company's Philosophy on Code of 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:**

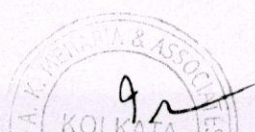
The Board of Directors Comprise of:-

- Three Non Executive Independent director

Detail of attendance of Directors at the Board Meetings and and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/Membership of

Sl. No.	Name of Director	Category	Attendance at Board Meeting	Last AGM	No.of other Director Ship	Other Committee position Member Chairman	
01.	Arun Kumar Agarwalla	Non Executive/ Non-independent Director	8	Yes	02	01	02
02.	Sudha Agarwalla	Non Executive/ Non Independent Director	8	Yes	02	02	01
03.	Gayrang Agarwalla	Non Executive/ Non Independent Director	0	No	01	Nil	Nil
04.	Uttam Banerjee	Non Executive/ Independent Director	8	Yes	01	02	Nil
05.	Sandeep Kr. Pareek	Non Executive/ Independent Director	8	Yes	Nil	01	Nil

- i) Other directorships do not include directorship of private limited companies, companies registered u/s 25 of Companies Act and of companies incorporated outside India.
- ii) Chairmanship/Membership of Board committees includes Membership of Audit, Remuneration and shareholders/Investor's grievance committees only.



- iii) 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 Meeting held, dates on which held

Number of Board Meetings Held : 08

Date on which held : 30th April 2012, 6th June, 2012,
9th July 2012, 31st July 2012,
26st September 2012, 31st
October, 2012, 2nd November
and 31th January 2013

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.

a) Details of the Audit Committee Meetings Held :

<u>Date of Meeting</u>	<u>No. of Members Attended</u>
28.06.2012	Three
25.09.2012	Three
27.12.2012	Three
29.03.2013	Three

b) Constitution of the Committee and attendance of each member of the committee is given below :

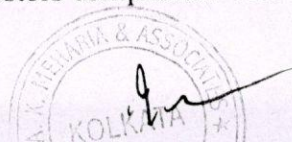
<u>Name</u>	<u>Designation</u>	<u>Non executive/executive Non Independent/Independent</u>	<u>Committee Meetings Attended</u>
Sudha Agarwalla	Chairman	Non Executive ,/ Independent	Four
Arun Kumar Agarwalla	Member	Non Executive / Independent	Four
Uttam Banerjee	Member	Non Executive/ Independent	Four

4. **Remuneration Committee:**

At present the company has not constituted any remuneration committee.

5. **Shareholder's/Investors Grievance Committees:**

The Company has constituted shareholders/Investors Grievance committee on to look into the redressed of shareholders and investors complaints. The Composition of the Committee:



<u>Name</u>	<u>Designation</u>
Arun Kumar Agarwalla	Chairman
Uttam Banerjee	Member
Sandeep Kumar Pareek	Member

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

6. **General Body Meetings:**

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

Financial Year	Location (Registered Office)	Date	Time
2011-2012	A 402, Mangalam, 24/26, Hemanta Basu Sarani Kolkata - 700001	28.09.2012	10.00 AM
2010-2011	-do-	29.09.2011	10.00 AM
2009-2010	-do-	29.09.2010	10.00 AM

No Special Resolution was put through postal ballot or otherwise last year or it is proposed this year.

7. **Disclosures:**

There was no transaction of material nature with the Directors or the Management or their relatives during the year. Details of transactions with any of the related parties as specified in Accounting Standard issued by the Institute of Chartered Accountants of India have been reported in the notes to the Accounts. There was no instance of non-compliance or any matters related to the capital markets during the year.

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 : 28th September, 2013.
 Time : 10.00 AM
 Venue : A 402, Mangalam,
 24/26, Hemanta Basu Sarani Kolkata - 700001
- b) Financial year of the Company : 2012-2013.
- c) Book Closure Date : 24th September, 2013 to 28th September, 2013.
 (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 any of the Stock Exchanges.

- 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 - 700001

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.

- h) Distribution of Shareholding as on 31.03.2013:-

	No. of Share-Holders	% of Share-holders	No. of Share holders	% 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
	<u>1362</u>	<u>100.00</u>	<u>1050000</u>	<u>100.00</u>

i) **Categories of Shareholders as on 31.03.2013 :-**

Category	No. of Share-Holders	% of Share-holders	No. of Share holders	% of Share holdings
Promoters	3	0.22	287500	27.38
Bodies Corporate	13	0.95	600400	57.18
Public	1346	98.83	162100	15.54
	1362	100.00	1050000	100.00

Dematerialization of Shares and liquidity:

Nil Equity Shares have been dematerialized upto 31st March, 2013.

K) **Address for Correspondence:**

Registered Office

A-402, Mangalam

24/26, Hemanta Basu Sarani, Kolkata 700 001

Phone: (033)2243-6242/6243

Fax : (033)3022-6242

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.



A.K. MEHARIA & ASSOCIATES
Chartered Accountants

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

To
The Members of
Vally Magnesite Co. Ltd.

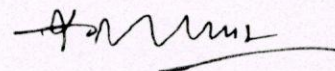
We have examined the compliance of the conditions of Corporate Governance by VALLY MAGNESITE COMPANY LTD. for the year ended 31st March, 2013 as stipulated in clause 49 of the listing agreements of the said company with Stock Exchange of India.

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

In our opinion and to the best of our information and explanations given to us and based on 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 agreements.

We further state that such compliance is neither an assurance as to the future liability 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



A. K. MEHARIA
Partner

Membership No. 53918
Firm Reg No. 324666E

Dated: 27th June, 2013
Place: Kolkata



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, 2013, 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"). 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. 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.



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Chartered Accountants

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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, 2013;
- (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.
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;



A.K. MEHARIA & ASSOCIATES
Chartered Accountants

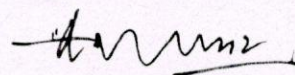
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- (e) on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms 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: June, 2013
Place: Kolkata



A.K. MEHARIA & ASSOCIATES
Chartered Accountants

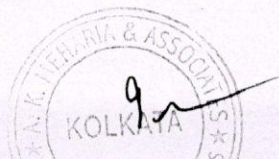
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ANNEXURE TO THE AUDITOR'S REPORT

(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 of substantial part 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.



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- 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, 2013.
- 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.
- 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.



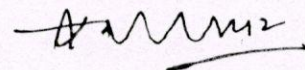
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- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any 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 June, 2013
Place: Kolkata



VALLEY MAGNESITE COMPANY LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2013**

(Amount in ₹)

	NOTES	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders Fund</u>			
Share Capital	1	1,05,00,000.00	1,05,00,000.00
Reserve & Surplus	2	2,92,19,072.16	2,89,84,241.41
<u>Current Liabilities</u>			
Other Current Liabilities	3	43,400.00	60,541.00
Short Term Provisions	4	2,52,397.00	6,27,197.00
Total		<u>4,00,14,869.16</u>	<u>4,01,71,979.41</u>

ASSETS**Non-Current Assets**

Fixed Assets	5	5,05,782.90	5,62,424.90
Non-Current Investments	6	17,61,000.00	17,61,000.00
Deferred Tax Assets(Net)	7	5,55,767.79	3,91,685.20

Current Assets

Current Investment	8	3,01,34,534.05	3,02,08,553.78
Cash & Bank Balances	9	7,71,613.42	4,85,232.53
Short Term Loans & Advances	10	62,78,873.00	67,58,873.00
Other Current Assets	11	7,298.00	4,210.00

Total		<u>4,00,14,869.16</u>	<u>4,01,71,979.41</u>
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Significant Accounting Policies

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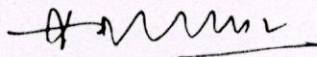
The accompanying Notes of Accounts are an integral part of financial statements.

As per our report of even date

For A.K. Meharia & Associates

Firm Registration Number-324666E

Chartered Accountants

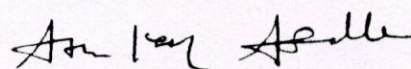
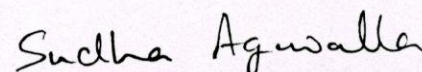
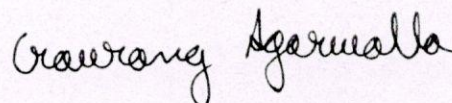


(A.K. Meharia)

Partner

Membership Number 053918

Place: Kolkata

Date: 27th June, 2013**For and on behalf of Board**





VALLEY MAGNESITE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

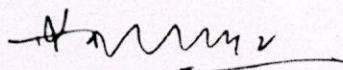
		(Amount in ₹)	
	NOTES	<div style="background-color: #cccccc; padding: 2px; display: inline-block;">For the Year 2012 - 2013</div>	<div style="border-bottom: 1px solid black;">For the Year 2011 - 2012</div>
INCOME			
Revenue from Operation		-	-
Other Income	12	6,17,414.81	2,59,095.02
		6,17,414.81	2,59,095.02
Total Revenue			
EXPENSES			
Employee Benefit Expenses	13	1,85,227.00	1,56,093.00
Depreciation & Amortization Expenses	5	56,642.00	44,294.10
Others expenses	14	2,87,522.65	3,20,566.74
		5,29,391.65	5,20,953.84
Total Expenses			
Profit/(Loss) Before Tax		88,023.16	(2,61,858.82)
<u>Tax Expense:</u>			
Current Tax		(17,275.00)	-
Deferred Tax Asset/(Liability)		1,64,082.58	(36,758.28)
Interest on Income Tax		-	(3,939.00)
		2,34,830.74	(3,02,556.10)
Profit/(Loss) for the Period			
Earning Per equity Share-Basic & Diluted	15	0.22	(0.29)
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
Firm Registration Number-324666E
Chartered Accountants



(A.K. Meharia)

Partner

Membership Number 053918

Place: Kolkata

Date: 27th June, 2013

For and on behalf of Board



Sudhe Agarwalla

Gaurang Agarwalla



VALLEY MAGNESITE COMPANY LIMITED
Notes to Financial Statements for the year ended 31st March, 2013

(Amount in ₹)

NOTE - 1

SHARE CAPITAL

Authorised Shares:

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
11,00,000 (P.Y:11,00,000) Equity Shares of Rs.10/-each	1,10,00,000.00	1,10,00,000.00

Issued, Subscribed & fully Paid - up Shares

10,50,000 (P.Y:10,50,000) Equity Shares of Rs.10/-each fully paid Up	1,05,00,000.00	1,05,00,000.00
	1,05,00,000.00	1,05,00,000.00

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, 2013		AS AT 31ST MARCH, 2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs.10 each fully paid up				
Dhanverdhi Exports Ltd	2,45,000.00	23.33%	2,45,000	23.33%
Arun Kumar Agarwalla	1,61,900.00	15.42%	1,61,900	15.42%
Sudha Agarwalla	1,06,000.00	10.10%	1,06,000	10.10%
Swagtam Distributors Pvt Ltd	1,12,000.00	10.67%	1,12,000	10.67%
Vidyut Dealers Pvt Ltd	1,47,000.00	14.00%	1,47,000	14.00%

NOTE - 2

RESERVES & SURPLUS

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Capital Reserve	16,47,094.00	16,47,094.00
General Reserve	30,00,000.00	30,00,000.00
Investment Allowance (utilised) Reserve	26,17,536.84	26,17,536.84
	72,64,630.84	72,64,630.84
Profit & Loss Account		
Balance as per last financial statement	2,17,19,610.57	2,20,22,166.67
Profit/(Loss) for the year	2,34,830.74	(3,02,556.10)
	2,19,54,441.32	2,17,19,610.57
	2,92,19,072.16	2,89,84,241.41

NOTE - 3

OTHER CURRENT LIABILITIES

Sundry Creditors for Exp. & Others	43,400.00	60,541.00
	43,400.00	60,541.00

NOTE - 4

SHORT TERM PROVISIONS

Provision for Taxation	2,52,397.00	6,27,197.00
	2,52,397.00	6,27,197.00



VALLEY MAGNESITE COMPANY LIMITED
NOTES SHOWING DETAIL OF FIXED ASSETS AS AT 31ST MARCH, 2013

NOTE - 5

NOTE - 2

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Sales/ Adjustments	As on 31.03.2013	Upto 31.03.2012	Sales/ Adjustments	For the Year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Motor Car	5,50,430.00	-	-	5,50,430.00	19,770.30	-	52,291.00	72,061.30	4,78,368.70	5,30,659.70
Computer	22,360.00	-	-	22,360.00	5,849.00	-	3,625.00	9,474.00	12,886.00	16,511.00
Television	15,290.00	-	-	15,290.00	35.80	-	726.00	761.80	14,528.20	15,254.20
Total Rs	5,88,080.00	-	-	5,88,080.00	25,655.10	-	56,642.00	82,297.10	5,05,782.90	5,62,424.90
Previous Year	4,17,234.00	5,65,720.00	3,94,874.00	5,88,080.00	1,66,562.00	1,85,201.00	44,294.10	25,655.10	5,62,424.90	2,50,672.00



VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2013

(Amount in ₹)

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 Lt

5,00,000.00

5,00,000.00

20,000 (P.Y. 20,000) Equity Share of Core Mercantiles Pvt Ltd

4,00,000.00

4,00,000.00

40,000 (P.Y.40,000) Equity Share of Windsor Mercantiles Pvt Ltd

8,00,000.00

8,00,000.00

17,00,000.00

17,00,000.00

Total Investment

17,61,000.00

17,61,000.00

Market Value of Quoted Investment

36,600.00

36,600.00

NOTE - 7

DEFERRED TAX ASSETS

On account of

Carried forward of losses

5,39,234.45

3,61,571.32

On carrying amount of fixed assets

16,533.34

30,113.89

5,55,767.79

3,91,685.20

NOTE - 8

CURRENT INVESTMENTS

Trade Investments (Valued at cost unless stated otherwise)

Mutual Fund

1,70,000(P.Y.Nil) Unit of Icici Pru Fixed Maturity Plan Sr-59 Plan E

17,00,000.00

-

1,34,391.442(P.Y.Nil) Unit of Reliance Annual Interval Fund Sr-1 Retail

20,00,000.00

-

Nil(P.Y 1,94,598) Unit of Icici Pru Flxied Plan SR 59 Plan E

-

19,45,980.00

2,50,000(P.Y.2,50,000)Unit of Reliance Dual Advantage FundPlan A

25,00,000.00

25,00,000.00

1,50,000(P.Y.1,50,000)Unit of Reliance Dual Advantage FundPlan B

15,00,000.00

15,00,000.00

Nil(P.Y 1,68,230.36) Unit of Rel. Fixed Horizon Fd. Sr-9

-

16,82,303.60

Nil(P.Y 1,30,000.00) Unit of Rel. Fixed Horizon Fd. Sr-12

-

13,00,000.00

25,000.00(P.Y 25,000.00) Unit of Rel. Fixed Horizon Fd. Sr-21

2,50,000.00

2,50,000.00

100,000.00(P.Y Nil) Unit of Rel. Fixed Horizon Fd. Sr-6

10,00,000.00

-

34,769.42(P.Y 34,769.42) unit of Birla Sunlife India Reforms Fund

3,47,694.15

3,47,694.15

50,000(P.Y 50,000) Unit of HDFC Infrastructure Fund

5,00,000.00

5,00,000.00

2,70,225.82 (P.Y 2,70,225.82) Unit of HDFC MF M.I.P (Growth)

54,21,976.07

54,21,976.07

2,90,899.14(P.Y 2,90,899.14) Unit of ICICI Pru M.I.P (Growth)

68,00,000.00

68,00,000.00

9,756.10(P.Y 9,756.10) Unit of ING Global Real Estate Fund

1,00,000.00

1,00,000.00

14,669.93(P.Y 14,669.93)unit of Reliance Infrastructure Fund

1,50,000.00

1,50,000.00

100.098 (P.Y Nil) Unit of Rel. Money Manager Fund Growth

1,54,263.87

-

1,47,233.29(P.Y 1,47,233.29)Reliance MIP G

28,42,058.98

28,42,058.98

1,27,360.95(P.Y 1,27,360.95) Unit of Reliance Reg. Saving Fund-Balanced

21,59,927.00

21,59,927.00

99,100.02(P.Y 99,100.02) Unit of Reliance Regular Saving Fund-Equity

22,58,613.98

22,58,613.98

45,000(P.Y 45,000) Unit of Tata Indo Global Infrastructure Fund

4,50,000.00

4,50,000.00

3,01,34,534.05

3,02,08,553.78

Market Value of Mutual Funds Investment

3,71,08,780.35

3,48,33,470.72



VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2013

NOTE - 9

(Amount in ₹)

CASH & BANK BALANCES

Cash & Cash Equivalents

Balances with bank:

On Current Accounts:

Cash in hand

AS AT
31ST MARCH, 2013

AS AT
31ST MARCH, 2012

55,212.26

5,529.77

7,16,401.16

4,79,702.76

7,71,613.42

4,85,232.53

NOTE - 10

SHORT TERM LOANS AND ADVANCES

(Unsecured considered good)

Advances recoverable in cash or in kind

Other Loans and Advances

Advance Income Tax Paid

FBT Paid

TDS Paid

58,00,000.00

58,00,000.00

3,40,000.00

8,20,000.00

5,784.00

5,784.00

1,33,089.00

1,33,089.00

62,78,873.00

67,58,873.00

NOTE - 11

OTHER CURRENT ASSETS

Prepaid Expenses

7,298.00

4,210.00

7,298.00

4,210.00

NOTE - 12

OTHER INCOME

Profit on Sale of Investment

Interest Received on IT Refund

6,11,690.81

2,59,095.02

5,724.00

-

6,17,414.81

2,59,095.02

NOTE - 13

EMPLOYEE BENEFIT EXPENSES

Salaries & Bonus

1,85,227.00

1,56,093.00

1,85,227.00

1,56,093.00

NOTE - 14

OTHER EXPENSES

Payment to Auditor (Refer details below)

Loss on sale of motor car

Bank Charge

Rent & Maintenance Charge

Interest on Profession Tax

Misc Expenses

28,090.00

22,472.00

-

76,672.99

328.25

621.00

60,000.00

60,000.00

2,600.00

-

1,96,504.40

1,60,800.75

2,87,522.65

3,20,566.74

Payment to Auditor

As Auditor (Including Service Tax)

Statutory Audit Fee

28,090.00

22,472.00

28,090.00

22,472.00



VALLEY MAGNESITE COMPANY LIMITED

Notes to Financial Statements for the year ended 31st March, 2013

NOTE - 20 (Contd..)

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

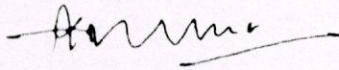
Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

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
Firm Registration Number-324666E
Chartered Accountants



(A. K. Meharia)

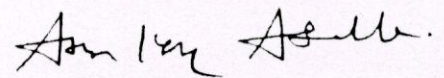
Partner

Membership Number 053918

Place Kolkata

Date 24th June, 2013

For and on behalf of Board



Sudha Aggarwal

Gaurang Aggarwal

