

VALLEY MAGNESITE COMPANY LIMITED

**29th
ANNUAL REPORT
2016-2017**

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Renuka Keswani

STATUTORY AUDITORS

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

INTERNAL AUDITOR

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

BANKERS

ORIENTAL BANK OF COMMERCE
KOTAK MAHINDRA BANK LTD.

REGISTERED OFFICE:

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

REGISTRAR & SHARE TRANSFER AGENTSS.

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

CIN

L23109WB1988PLC045491

VALLEY MAGNESITE COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS :

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

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

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

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

SPECIAL BUSINESS

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

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

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

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

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

By order of the Board
For Valley Magnesite Co.Ltd

(Arun Kumar Agarwalla)
Managing Director
DIN: 00607272

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Notes :

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

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

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

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

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

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

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(xviii) Note for Institutional Shareholders

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

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

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

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

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

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

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

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

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

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

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

By order of the Board
For Valley Magnesite Co.Ltd

(Arun Kumar Agarwalla)
Managing Director
DIN: 00607272

VALLEY MAGNESITE COMPANY LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

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

FINANCIAL SUMMARY:

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

DIVIDEND

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

RESERVES

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

STATE OF COMPANY'S AFFAIR

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

CHANGES IN THE NATURE OF BUSINESS

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

INTERNAL CONTROL SYSTEMS

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

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES:

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

VALLEY MAGNESITE COMPANY LIMITED

during the year.

DEPOSITS

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

SHARE CAPITAL

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

EXTRACT OF ANNUAL RETURN

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

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

RISK MANAGEMENT POLICY

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

CORPORATE GOVERNANCE CERTIFICATE

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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