

VALLEY MAGNESITE COMPANY LIMITED

**30th
ANNUAL REPORT
2017-2018**

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. Shruti Tebriwal

STATUTORY AUDITORS

M/s V.M.D. & Associates
Chartered Accountants
4, B.B.D. Bag (East) 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

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 AGENTS.

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 **30th 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 Friday, the 28th September, 2018 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, 2018, 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, 2018.

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 Mr Gaurang Agarwalla (DIN:06533183) , who retires by rotation and being eligible, offers himself for re-appointment.

By order of the Board

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

Dated : The 14th day of August, 2018

(Arun Kumar Agarwalla)
Managing Director
DIN : 00607272

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 **22nd September, 2018 to 28th September, 2018 (both days inclusive).**
4. Members , Proxies and Authorised Representatives are requested to bring their attendance slips together with their copies of Annual Reports to the Meeting. Copies of the Annual Reports will not be provided at the AGM Venue.
5. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management of

VALLEY MAGNESITE COMPANY LIMITED

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.

6. 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 **21st September, 2018 (Record Date)**.
7. 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
8. (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.
9. a) Members desirous of getting any information in relation to the Company's Annual Report 2017-18 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.
10. 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.
11. As per requirements of Listing Regulations with the Stock Ex- changes, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report.

12. VOTING THROUGH ELECTRONIC MEANS

- I. 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).

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- II. 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.) The process and manner of for remote e-voting are as under:

(i) The remote e-voting period commences on 25th September , 2018 (10:00 am) and ends on 27th September , 2018 (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 21st September 2018, 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.

(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 for 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 enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "O" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc. <p>Example: (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245 (2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date)

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(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.

(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

13. 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

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at akkhandelia@rediffmail.com with a copy marked to helpdesk.evoting@cdslindia.com on or before **September 27, 2018, upto 5.00 pm.** without which the vote shall not be treated as valid

14. 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 (record date) of 21st September-2018. A person who is not a member as on cut off date should treat this notice for information purpose only.
15. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of **21st September-2018**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
16. 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 **21st September, 2018** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
17. 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.
18. 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. **21st September , 2018**. 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.
19. Shri Anand Khandelia , Practising Company Secretary (Certificate of Practice Number FCS 5803) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
20. 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 .

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

Dated: The 14th day of August, 2018

By order of the Board
For Valley Magnesite Company Limited

(Arun Kumar Agarwalla)
Managing Director
DIN:00607272

VALLEY MAGNESITE COMPANY LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 30th 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, 2018

FINANCIAL SUMMARY:

PARTICULARS	Year ended 31st March 2018	Year ended 31st March, 2017
Profit (Loss) before Tax	39,89,775.49	59,32,350.86
Provisions for Taxation		
-Current provisions	(12,39,933.00)	(7,85,468.00)
-Earlier year taxes		
-Provision for deferred Tax	(3,532.00)	-
	21,20,307.17	5,44,079.66
Profit after Tax	48,66,617.66	56,90,962.52
Other Comprehensive Income	(3,469.34)	(4,450.04)
Total Comprehensive Income	48,63,148.32	56,86,512.48
Balance Brought forward		
-Retained earnings	421,82,539.87	364,91,577.35
-Other Comprehensive Income	(16,115.50)	(20,565.54)
Balance Carried forward to Balance Sheet		
-Retained earnings	470,49,157.53	421,82,539.87
-Other Comprehensive Income	(24,034.88)	(20,565.54)

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

VALLEY MAGNESITE COMPANY LIMITED

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 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.

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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.

NOMINATION & REMUNERATION COMMITTEE

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS:

Changes in Directors and Key Managerial Personnel Mr. Gaurang Agarwalla retire by rotation and, being eligible, offer himself for re appointment. The Directors recommend Mr. Gaurang Agarwalla for re-appointment.

Mr. Gaurang Agarwalla is 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.

Independent Director(s) declaration

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

Board Evaluation

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

Code of Conduct

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

Board Meeting

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