

---

# Annual Report

---

## 2009-10

---

## **CORPORATE INFORMATION**

### **THE BOARD OF DIRECTORS**

Mr. Jaydev Mody	Chairman
Ms. Urvi Piramal	
Capt. Ratnakar Barick	Whole-Time Director
Mr. Javed Tapia	
Mr. Mahesh Gupta	
Mr. Rajesh Jaggi	
Dr. Vrajesh Udani	
Ms. Ambika Kothari	

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Snehal Oak

### **REGISTERED OFFICE & PLANT LOCATION**

B-87, MIDC, Ambad,  
Nasik - 422 010,  
Maharashtra.

### **STATUTORY AUDITORS**

M/s. Amit Desai & Co  
Chartered Accountants

### **BANKERS**

HDFC Bank Limited

### **SHARE TRANSFER AGENTS**

Freedom Registry Limited  
Plot No. 101/102, MIDC, 19th Street,  
Satpur, Nasik - 422 007, Maharashtra  
Phone : (0253) 2354032  
Facsimile : (0253) 2351126  
e-mail : amtrac\_nsk@sancharnet.in

### **SHARES LISTED ON**

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

<b>CONTENTS</b>	<b>Page</b>
Notice .....	1
Directors' Report .....	7
Management Discussion and Analysis Report ....	13
Corporate Governance Report .....	16
Auditors' Report .....	35
Balance Sheet .....	38
Profit and Loss Account .....	39
Cash Flow Statement .....	40
Schedules .....	41
Balance Sheet Abstract .....	55
Attendance Slip & Proxy Form .....	End of Report

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of Members of Delta Magnets Limited will be held on Thursday, 23<sup>rd</sup> September, 2010 at 2.00 p.m. at The Gateway Hotel, Ambad, Nasik - 422 010, Maharashtra to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jaydev Mody, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

### Special Business:

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Dr. Vrajesh Udani, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company and whose term of office expires at the commencement of this meeting and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from a member, signifying his intention to propose Dr. Vrajesh Udani, as a candidate for the office of the Director of the Company, together with necessary deposits, be and is hereby appointed as Director of the Company,

liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Ms. Ambika Kothari, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company and whose term of office expires at the commencement of this meeting and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from a member, signifying his intention to propose Ms. Ambika Kothari, as a candidate for the office of the Director of the Company, together with necessary deposits, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this notice.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Jaydev Mody, Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
5. Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached as Annexure to this notice.
6. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2010 to 23<sup>rd</sup> September, 2010 (both days inclusive), for determining the eligibility for payment of dividend, if declared at the meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agents. (RTA)
10. Non-Resident Indian Members are requested to inform RTA of the Company, immediately of :
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/RTA for registration of such transfer of shares.

Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
12. Section 109A of the Companies Act, 1956, permits nomination by shareholders of the Company in prescribed Form No. 2B. Shareholders are requested to avail this facility. The duly filled in and signed Form No. 2B should be sent to the RTA of the Company at their Nasik address.
13. In order to render better and efficient services, we request you to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the RTA of the Company at their Nasik address.
14. The Company, consequent upon the introduction of the Depository System (DS), entered into agreements with National

Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.

15. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address/stay in abroad or demise of any shareholder as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.

By Order of the Board of Directors,

**Snehal Oak**  
**Company Secretary**

Mumbai, 30<sup>th</sup> July, 2010.

**Registered Office :**  
B-87, MIDC, Ambad,  
Nasik - 422 010,  
Maharashtra.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

##### **Item No. 4**

The Board of Directors appointed Dr. Vrajesh Udani, as an Additional Director of the Company w.e.f. 30<sup>th</sup> July, 2010 at their Meeting held on 30<sup>th</sup> July, 2010.

Under Section 260 of the Companies Act, 1956, Dr. Vrajesh Udani holds office as Director up to the date of the forthcoming Annual General Meeting.

The Company has received notice from a member, under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Dr. Vrajesh Udani as Director of the Company.

Dr. Vrajesh Udani is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profile of Dr. Vrajesh Udani, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming a part of this Notice.

Save and except, Dr. Vrajesh Udani, no other Directors of the Company are interested in the resolution except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out in the Notice for approval by the members.

##### **Item No. 5**

The Board of Directors appointed Ms. Ambika Kothari, as an Additional Director of the Company w.e.f. 30<sup>th</sup> July, 2010 at their Meeting held on 30<sup>th</sup> July, 2010.

Under Section 260 of the Companies Act, 1956, Ms. Ambika Kothari holds office as Director up to the date of the forthcoming Annual General Meeting.

The Company has received notice from a member, under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Ms. Ambika Kothari as Director of the Company.

Ms. Ambika Kothari is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profile of Ms. Ambika Kothari, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming a part of this Notice.

Save and except, Ms. Ambika Kothari, no other Directors of the Company are interested in the resolution except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out in the Notice for approval by the members.

By Order of the Board of Directors,

**Snehal Oak**  
**Company Secretary**

Mumbai, 30<sup>th</sup> July, 2010.

**Registered Office :**  
B-87, MIDC, Ambad,  
Nasik - 422 010,  
Maharashtra.

**Brief Resume of Directors seeking appointment/reappointment at this Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)**



**Name of Director ]**

**MR. JAYDEV MODY**

**Date of Birth :** 9<sup>th</sup> June, 1955

**Date of Appointment :** 14<sup>th</sup> March, 2008

**Qualification**

Mr. Jaydev Mody has completed his graduation in Arts from the Mumbai University.

**Profile and Expertise**

Mr. Jaydev Mody, has been in business for more than 33 years. He has over 22 years of experience in the field of real estate development and has played a key role in building and developing Crossroads, one of the first shopping malls of international standards in India. A graduate in Arts from Mumbai University, Mr. Mody has been instrumental in the development of several large residential complexes, office complexes and retail destinations in and around Mumbai. He is currently involved in the development of Ashok Towers, Ashok Gardens, Peninsula I.T. Park and other landmark projects of global standard.

**Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.**

**Mr. Jaydev Mody holds 1125 Equity Shares of the Company.**

**Directorship and Committee memberships (Excluding Delta Magnets Limited)**

**i) Directorships held in other Companies**

Alibagh Farming and Agriculturist Company Private Limited

Arrow Textiles Limited

Aryanish Finance and Investment Private Limited.

Bayside Property Developers Private Limited

Delta Corp Limited

Elixir Infotech Private Limited

Freedom Aviation Private Limited.

Highland Resorts Private Limited.

J M Livestock Private Limited

Providence Educational Academy Private Limited

Riteline Exports Private Limited

Seastar Trading Company Private Limited.

Peninsula Land Limited

Ashok Piramal Management Corporation Limited.

Peninsula Investment Management Company Limited.

Peninsula Pharma Research Centre Private Limited.

Cromwell Tools (India) Private Limited.

Crossroads Shoppertainment Private Limited.

Highpoint Agro Star Private Limited.

L And T-Cross Roads Private Limited.

Peninsula Project Management Private Limited.

Peninsula Sa Realty Private Limited.

Peninsula Townships Development Private Limited.

Piramyd Retail and Merchandising Private Limited.

MMG India Private Limited

**ii) Chairman of Board Committees**

Arrow Textiles Limited - Shareholders / Investor

Grievances Committee

Delta Corp Limited - Investor Grievances Committee

**iii) Member of Board Committees**

Arrow Textile Limited - Remuneration Committee

Delta Corp Limited - Compensation Committee

**Name of Director****DR. VRAJESH UDANI****Date of Birth : 27<sup>th</sup> December, 1955****Date of Appointment : 30<sup>th</sup> July, 2010****Qualification**

Dr. Vrajesh Udani is a Pediatric Neurologist.

**Profile and Expertise**

Dr. Vrajesh Udani, 54 years of age, is a Pediatric Neurologist. He is a consultant at the Hinduja National Hospital and Medical Research Centre, Saifee Hospital and Breach Candy Hospital and Medical Research Centre. He is also an Assistant Professor of Paediatrics at the Grant Medical College and JJ Group of Hospitals, Mumbai. He is also a Member of the Indian Academy of Paediatrics, Neurological Society of India and Indian Academy of Neurology.

**Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.**

Dr. Vrajesh Udani is not holding any share in the Company.

**Directorship and Committee memberships (Excluding Delta Magnets Limited)****i] Directorships held in other Companies**

Richtime Realty Private Limited

**ii] Chairman of Board Committees**

Nil

**iii] Member of Board Committees**

Nil

**Name of Director****MS. AMBIKA KOTHARI****Date of Birth : 25<sup>th</sup> April, 1977****Date of Appointment : 30<sup>th</sup> July, 2010****Qualification**

Ms. Ambika Kothari is B.A. Economics with Honours, Wellesley College.

**Profile and Expertise**

Ms. Ambika Kothari, 33 years of age, is B.A. Economics with Honours through Wellesley College. She has also studied Accounting and Business at MIT Sloan School of Management and Harvard University. She is experienced in the fields of business administration, management and as an analyst. She has worked with reputed international analyst firms such as Goldman Sachs & Company, New York and Moody's Investor Service, Singapore. She also worked with DSP Merrill Lynch, Mumbai in the Equities Division. She is a director in several companies and is currently managing investments for GK International Pvt Ltd.

**Number of shares held in the Company, Individually or Jointly/ on a beneficial basis.**

**Ms. Ambika Kkothari holds 1950 Equity Shares of the Company.**

**Directorship and Committee memberships (Excluding Delta Magnets Limited)****i] Directorships held in other Companies**

Aarti Management Consultancy Private Limited.  
Aditi Management Consultancy Private Limited  
Anjoss Trading Private Limited  
G.K. International Private Limited  
Highland Resorts Private Limited  
Aryanish Finance and Investments Private Limited  
Providence Educational Academy Private Limited  
Riteline Exports Private Limited  
Seastar Trading Company Private Limited  
Elixir Infotech Private Limited  
Bayside Property Developers Private Limited  
Lakeview Mercantile Company Private Limited  
Anjyko Investments Private Limited

**ii] Chairman of Board Committees :**  
Nil

**iii] Member of Board Committees :**  
Nil



## DIRECTORS' REPORT

Your Directors present their 28<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2010.

### FINANCIAL HIGHLIGHTS

(Rs. In '000)

	Standalone	
	Year ended 31.03.2010	Year ended 31.03.2009
Income for the year	101200.55	80225.92
Profit before Interest, Depreciation and Tax	11875.82	1024.93
Finance Charges	(90.94)	(52.51)
Profit before Depreciation and Taxes	11784.88	972.42
Depreciation	(13633.05)	(12502.05)
Provisions for Taxation/ Deferred Tax	3321.00	(52.80)
Prior Period Items	(163.34)	(1071.97)
Net Profit / (Loss) for the Current Year	1309.49	(12654.39)
Earlier Years Balance Brought forward	(89068.78)	(76414.39)
Balance carried to Balance Sheet	(87759.29)	(89068.78)

### DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2010.

### OPERATIONS

During the year under review, your Company recorded a total income of Rs. 1012.01 lacs and Net Profit of Rs. 13.09 lacs. For further information, kindly refer to Management Discussion and Analysis Report, forming part of this Annual report.

### GROUP FOR INTER SE TRANSFER OF SHARES

As required under Clause 3(1)(e)(i) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (Takeover Regulations), persons constituting group (within the meaning of group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming exemption from applicability of the provisions of Regulations 10 and 12 of the Takeover Regulations, are given in Annexure A to this Report.

### ACQUISITION

On 30th June, 2010, the Company has acquired 100% stake of MMG India Private Limited and MMG Magdev Limited, U.K.

### CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from Practising Company Secretary, on compliance with the conditions of Corporate Governance as laid down, forms part of this Annual Report.

### PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company and other entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered office of the Company.

### PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars as required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are furnished in the Annexure B to this Report.

## DIRECTORS

The Board of Directors of the Company appointed Dr. Vrajesh Udani and Ms. Ambika Kothari as Additional Directors of the Company w.e.f. 30<sup>th</sup> July, 2010 in accordance with Section 260 of the Companies Act, 1956, and Articles of Association of the Company. Dr. Vrajesh Udani and Ms. Ambika Kothari hold office as Additional Directors upto the date of the ensuing Annual General Meeting.

At the ensuing Annual General Meeting Mr. Jaydev Mody will retire by rotation and being eligible, offers himself for re-appointment, in terms of provisions of Articles of Association of the Company.

The brief resume/details relating to directors, who are proposed to be appointed/re-appointed are furnished in as Annexure to the notice of the ensuing Annual General Meeting.

Your directors recommend their appointment / reappointment at the ensuing Annual General Meeting.

## CHANGE OF REGISTERED AND CORPORATE OFFICE OF THE COMPANY

During the year, the Company has changed its Registered Office from 16/A, Ali Chambers, 2<sup>nd</sup> Floor, Nagindas Master Road, Fort, Mumbai - 400 001, Maharashtra to B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.

Further, during the year, the Company has changed its Corporate Office from 16/A, Ali Chambers, 2<sup>nd</sup> Floor, Nagindas Master Road, Fort, Mumbai - 400 001, Maharashtra to Bayside Mall, 1st Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400 034, Maharashtra.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that:

1. in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. the Directors have selected such accounting policies

and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31<sup>st</sup> March, 2010 and of the profit of the Company for the year under review;

3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010, on 'going concern' basis.

## FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits from the public.

## AUDITORS

The Board of Directors recommends to re-appoint M/s. Amit Desai & Co., Chartered Accountants, as Statutory Auditors of the Company, who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Amit Desai & Co. has given his consent to act as auditors, if re-appointed. Members are requested to consider his re-appointment. The auditors comments on the Company's accounts for the year ended on 31<sup>st</sup> March, 2010, are self explanatory in nature and do not require any explanation as per the provisions of Section 217(3) of the Companies Act, 1956.

## ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

Date: 30<sup>th</sup> July, 2010 By Order of the Board of Directors,

**Registered Office:**  
B-87, MIDC, Ambad  
Nasik - 422 010,  
Maharashtra.

**Jaydev Mody**  
Chairman