



15TH
ANNUAL REPORT
2006-2007

MAGNUM LIMITED

**MAGNUM LIMITED****BOARD OF DIRECTORS :**

DR. NAGESH BHANDARI	:	CHAIRMAN & DIRECTOR
MR. SHAILESH BHANDARI	:	DIRECTOR
MR. AVINASH BHANDARI	:	DIRECTOR
DR. GITESH K. SHAH	:	DIRECTOR
MR. HEMANT DESAI	:	DIRECTOR
MR. MUNENDRASINGH JADON	:	DIRECTOR

AUDITORS :

M/S. ASIM MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD.

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BANKERS :

BANK OF INDIA
NAVRANGPURA BRANCH
SWASTIK CHAR RASTA,
NAVRANGPURA,
AHMEDABAD.

REGISTERED OFFICE :

A-1, SKYLARK APARTMENT,
SATELLITE ROAD, SATELLITE,
AHMEDABAD-380015.



MAGNUM LIMITED

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of **Magnum Limited** will be held on Saturday, the 29th day of September, 2007 at 11.00 A.M. at the Registered Office of the Company at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380015 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2007 the Profit and Loss Account as on that date and the reports of the Auditors'and Directors' thereon.
2. To appoint a Director in place of Dr. Gitesh K. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration.

Special Business :

4. To approve and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Nagesh Bhandari an additional Director up to the Date of this Annual General Meeting be and is hereby appointed as Director of the Company"
5. To approve and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Shailesh Bhandari an additional Director up to the Date of this Annual General Meeting be and is hereby appointed as Director of the Company"
6. To approve and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Avinash Bhandari an additional Director up to the Date of this Annual General Meeting be and is hereby appointed as Director of the Company"

BY ORDER OF THE BOARD

Place : Ahmedabad
 Date : 31st August , 2007

NAGESH BHANDARI
 Director

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business mentioned in the above notice is annexed hereto.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. The register of members and share transfer books of the Company will remain closed from **21st September, 2007 to 29th September, 2007 (Both days inclusive).**

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

Item No. 4, 5 & 6

Dr. Nagesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari were appointed as additional Directors of the Company on 3-10-2006. Pursuant to section 260 of the Companies Act, 1956 the aforesaid Directors hold office



MAGNUM LIMITED

up to the ensuing Annual General Meeting of the Company. The Company has received notices pursuant to section 257 of the Companies Act, 1956 from the members of the Company proposing the candidatures of Dr. Nagesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari for the Office of Directors of the Company. You are requested to pass the resolutions as set out at Item No. 4, 5 & 6 of the accompanying notice.

No other Director except Dr. Nagesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari is concerned or interested in the respective resolutions.

Particulars of the Directors seeking Appointment/ Re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Name	Dr. Gitesh K.Shah	Mr. Avinash Bhandari
Age	45	41
Date of Appointment	15/10/1993	03/10/2006
Qualification	D.SC, M.SC, PH.D Organic chemistry USA.	B.E.(Electronics),M.S. (USA), M.B.A.(Finance) (USA)
Expertise in functional areas	He is associated with the Company since 1993. He has expertise in corporate planing and Financial Management.	Having Experience of 15 years in Stainless Steel Manufacturing Plant.
Name of the Companies in which he holds Directorship/ Committee Membersips	Director in- 1. Harita Projects Pvt. Ltd.	Director in- 1. Electrotherm (India) Ltd. 2. Mangalam Information Technologies Ltd.
Name	Mr. Shailesh Bhandari	Dr. Nagesh Bhandari
Age	49	54
Date of Appointment	03/10/2006	03/10/2006
Qualification	B.SC (Economics).	M.S.(Orthopaedic)
Expertise in functional areas	Having more than 25 years experience & has immensely contributed in designing and developing metallurgical Equipment.	Having Experience of 23 years as Orthopedic Surgeon & Spine Surgeon since last 10 years.
Name of the Companies in which he holds Directorship/ Committee Membersips	Director in- 1. Electrotherm (India) Ltd. 2. Ahmedabad Aviation & Aeronautics Ltd. 3. Liberty Finance & Leasing Co. Pvt. Ltd. 4. E-Motion Power Ltd. 5. Palace Tours & Air Charters Pvt. Ltd. 6. Western India Speciality Hospital Ltd. 7. Indus Elec-Trans Pvt. Ltd. 8. Afghan Trading Pvt. Ltd. 9. Alwar Trading & Investment Company 10. Jayshri Petro Yarn Pvt. Ltd. 11. Bhandari Brothers Commercial Pvt. Ltd. 12. Palanpur Reality Developers Pvt. Ltd.	Director in- 1. Ahmedabad Aviation & Aeronautics Ltd. 2. Liberty Finance & Leasing Co. Pvt. Ltd. 3. E-Motion Power Ltd. 4. Palace Tours & Air Charters Pvt. Ltd. 5. Western India Speciality Hospital Ltd. 6. Indus Elec-Trans Pvt. Ltd. 7. Alwar Trading & Investment Company 8. Adroit Trading & Investment Company 9. Jayshri Petro Yarn Pvt. Ltd.



MAGNUM LIMITED

DIRECTORS' REPORT

To,
The Members,
Magnum Limited

Your Directors are pleased to present their 15th Annual Report of the Company together with Audited Accounts for the financial year ended on 31st March, 2007.

FINANCIAL PERFORMANCE :

(Rs. In Lacs)

Particulars	2006-2007	2005-2006
Sales And Other Income	11.19	74.29
Profit / (Loss) Before Interest, Depreciation & Tax	(56.84)	25.24
Profit / (Loss) before Depreciation & Tax	(56.98)	23.72
Profit / (Loss) before Tax	(67.48)	12.81
Provision For Taxation	—	—
Fringe Benefit Tax	—	0.20
Profit / (Loss) After Tax	(67.48)	12.61
Provision for Deferred Taxation	2.21	1.24
Profit / (Loss) after Provision of Deferred Taxation	(65.27)	13.85
Balance Carried forward	9.86	75.13

DIVIDEND:

Due to the loss incurred by the company, your Directors have not recommended any Dividend for the year under review.

OPERATIONS:

The operations during the year were not satisfactory. During the year your company has achieved a turnover of Rs. 11.19 Lacs compared to Rs. 74.29 Lacs of the Previous Year. The Loss during the year was Rs. 67.48 Lacs compared to Profit of Rs. 12.61 Lacs during the previous year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Association of the Company, Dr. Gitesh K. Shah, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Dr. Nagesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari were appointed as additional directors during the year under review and they hold the office upto the date of Annual General Meeting. Board Recommends their appointment as Directors liable to retire by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that:

1. In the preparation of the annual accounts for the year 2006-2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied them consistently and have made judgments 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 financial year and of the profit or loss of the company for the year under review.


MAGNUM LIMITED

3. Proper and sufficient care have been taken 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 annual accounts have been prepared for the Financial year ended 31st March, 2007 on a going concern basis.

DEPOSITS

The Company has not accepted any deposits during the year to which the provisions of Section 58A of the Companies Act, 1956 and Non-Banking Financial Companies (Reserve Bank) Directions, 1977 are applicable.

CORPORATE GOVERNANCE:

As stipulated by Clause 49 of the Listing Agreement of the Stock Exchanges, a Report on Corporate Governance is given separately in this Annual Report and forms part of this Report. The Certificate from M/S Asim Mehta & Associates, Statutory Auditors of the Company regarding compliance with the Corporate Governance Code is enclosed therewith.

CHANGE OF MANAGEMENT:

During the year under review, the Company was taken over by Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Others by complying with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997. Dr. Nagesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari were appointed on the Board of the Company w.e.f. October 3, 2006.

HUMAN RESOURCES:

Your Directors wish to place on record their deep appreciation to employees at all levels for their all round efforts, dedication, commitment and loyal services to the Company during the year under review.

PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, there is no employee who is in receipt of remuneration exceeding limits mentioned in the said Provisions.

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

The informations required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are Nil. There was no foreign exchange earning and outgo by the Company during the said year.

AUDITORS:

M/s Asim Mehta & Associates, Chartered Accountants, Ahmedabad, the present Auditors of the Company, retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept the office, if re-appointed. The Board recommends their re-appointment.

APPRECIATION:

The Directors express their gratitude to Financial Institutions, Banks and various government and regulatory agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders and customers for the confidence reposed by them in the Company.

The Directors take this opportunity to thank all the employees of the Company who have contributed significantly in achieving the results.

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad
Date : 31st August, 2007

NAGESH BHANDARI
Director



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent governance practices. The Company is conscious of its responsibility as a good corporate citizen and is committed to high standards of Corporate Governance practices. The Company is committed to adhere to the prescribed standards of the Corporate Governance.

2. Board of Directors:

The policy of the Company is to maintain optimum combination of Executive and Non-Executive Directors on its Board. The Board of Directors of the Company consists of 6 directors, of which 2 are Independent Directors.

Name & Designation of the Directors	Category	No of directorship held in other companies	No of committees Memberships held in other companies
Dr. Nagesh Bhandari *	Chairman & Promoter Director	9	NIL
Mr. Shailesh Bhandari *	Promoter Director	12	NIL
Mr. Avinash Bhandari *	Promoter Director	2	1
Dr. Gitesh K. Shah	Non-Executive Director	1	NIL
Mr. Hemant B. Desai	Independent Non-Executive Director	NIL	NIL
Mr. Munendrasingh B. Jadon	Independent Non-Executive Director	NIL	NIL

* Dr. Nagesh Bhandari, Mr. Shailesh Bhandari & Mr. Avinash Bhandari were appointed as Directors of the company w.e.f. 3-10-2006.

Board Meetings:

During the year, Seven board meetings were held on April 28, 2006; July 29, 2006; August 28, 2006; October 3, 2006; October 30, 2006; January 7, 2007; and January 31, 2007.

Name	No. of Board meeting attended	Attendance at the last AGM
Dr. Nagesh Bhandari	04	N.A.
Mr. Shailesh Bhandari	04	N.A.
Mr. Avinash Bhandari	04	N.A.
Dr. Gitesh K. Shah	06	Yes
Mr. Hement B. Desai	04	Yes
Mr. Munendra Singh Jadon	04	Yes

All the information required to be furnished to the Board was made available to them along with detail agenda notes.



3. Committees of Board:

A. Audit Committee:

At present, the Audit Committee comprises of three members of which two being non-executive and independent directors and one is Promoter Director. The Board of Directors at their meeting held on October 3, 2006 reconstituted the Audit Committee. Mr. Munendrasingh Jadon is the Chairman and Mr. Hement B. Desai and Mr. Avinash Bhandari are members of the Audit Committee.

During the year five meetings of the Audit Committee were held on April 28, 2006; July 29, 2006; August 28, 2006; October 30, 2006 and January 31, 2007.

Details of meetings of Audit Committee and attendance

Name	Designation	No. of Committee meeting attended
Mr. Munendrasingh Jadon	Chairman*	2
Mr. Hemant Desai	Member	2
Mr. Avinash Bhandari	Member	2

* Mr. Munendrasingh Jadon had been appointed as Chairman of Audit Committee w.e.f. October 3, 2006

B. Remuneration Committee:

The Company has not constituted a remuneration Committee. At present, the Company does not pay any remuneration to Directors of the Company.

The non-executive directors do not draw any remuneration from the Company either by way of sitting fees or commission.

C. Shareholders' Grievance Committee:

The Company has Shareholders' Grievance Committee comprising of two non-executive Independent directors and One Promoter director to expedite the process of redressal of complaints like non-transfer of shares, non-receipt of annual report, non-receipt of dividends etc.

Dr. Nagesh Bhandari is the Chairman and Mr. Hement B. Desai and Mr. Munendrasingh Jadon are members of Shareholders' Grievance Committee.

The company had not received any complaints during the year under review.

There were no pending share transfer, which were received more than one month prior to that date.

4. General Body Meeting:

The last three Annual General Meetings of the Company were held within the Statutory Time period and the details of the same are as under:

AGM	Financial Year	Venue	Date	Time
14th	2005 – 2006	3 rd Floor, Smit Complex, Choice Lane, Off C.G. Road, Navarangpura, Ahmedabad:- 380 009	30.09.2006	11:00 AM
13th	2004 – 2005	3 rd Floor, Smit Complex, Choice Lane, Off C.G. Road, Navarangpura, Ahmedabad:- 380 009	15.09.2005	11:00 AM
12th	2003 – 2004	3 rd Floor, Smit Complex, Choice Lane, Off C.G. Road, Navarangpura, Ahmedabad:- 380 009	28.09.2004	11:00 AM

Special Resolutions:

The following special resolution was passed in previous annual general meeting:

- (1) Special Resolution under SEBI (Delisting of Securities) Guidelines, 2003 for voluntary delisting of equity shares of the Company from Ahmedabad Stock Exchange Ltd and Vadodara Stock Exchange Ltd. was passed at the 14th Annual General Meeting held on September 30, 2006.

Special Resolution moved at the above General Meeting was unanimously passed by a show of hands by the shareholders present at the meeting.

Postal Ballot

There is no business at the ensuing Annual General Meeting requiring passing of the Resolution by the postal ballot under Section 192A and the applicable rules.

5. Disclosures:

Disclosures on materially significant related party transactions:

The Company does not have any related party transactions with promoters, directors or management or relatives, which may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

In compliance with the Code, directors and senior management of the Company have affirmed compliance with the Code for year ended on March 31, 2007. A declaration to this effect signed by the Director forms part of this Annual Report.

Cases of Non-compliance / Penalties:

There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI.

6. Means of Communication:

The Company normally publishes the quarterly results in Western Times in English and Gujarati editions.

Management Discussion and Analysis Report is a part of the Annual Report.

7. General Shareholder Information:

A. Annual General Meeting:

Date : 29.09.2007

Time : 11.00 A.M.

B. Venue:

A-1, Skylark Apartment,
Satellite Road, Satellite,
Ahmedabad – 380 015

C. Financial Calendar: [Tentative]

Financial Year	:	April-March
First Quarter Results	:	End July, 2007
Half yearly Results	:	End October, 2007
Third Quarter Results	:	End January, 2008
Result for the year ending March 31, 2008	:	End April/ June, 2008