

16TH ANNUAL REPORT 2007-2008

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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 16th Annual General Meeting of **Magnum Limited** will be held on Tuesday, the 30th day of September, 2008 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, 2008 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 Mr. Mumendrasingh Jadon, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD

Place : Ahmedabad
Date : 3rd September, 2008

NAGESH BHANDARI
Director

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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. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
3. The register of members and share transfer books of the Company will remain closed from **23rd September, 2008 to 30th September, 2008 (Both days inclusive).**

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

Name	Mr. Munendrasingh Jadon
Age	62
Date of Appointment	10/11/2005
Qualification	Under Graduate
Expertise in functional areas	Having 40 years experience in the field of media & Government liaison
Companies in which he holds Directorship / Committee Memberships	NIL



DIRECTORS' REPORT

To,
The Members,
Magnum Limited

Your Directors have pleasure in presenting the 16th Annual Report on the business and operation of the Company together with Audited Accounts for year ended on 31st March, 2008.

FINANCIAL RESULTS :

The performance of the Company during the year as compared with that during the previous year is summarized below:

FINANCIAL PERFORMANCE :

(Rs. In Lacs)

Particulars	Year ended 31-3-2008	Year ended 31-3-2007
Sales And Other Income	1.06	11.19
Profit / (Loss) Before Interest, Depreciation & Tax	(9.48)	(56.84)
Profit / (Loss) before Depreciation & Tax	(9.52)	(56.98)
Profit / (Loss) before Tax	(20.04)	(67.48)
Provision For Fringe Benefit Tax	0.02	—
Deferred Tax Liability	(2.16)	(2.21)
Net Profit / (Loss)	(17.90)	(65.27)
Balance Carried forward	(8.04)	9.86

DIVIDEND:

Due to the loss incurred by the Company, your Directors do not recommend any Dividend for the year under review.

OPERATIONS:

The operation during the year was not satisfactory. During the year your company has achieved a turnover of Rs. 1.06 Lacs compared to Rs. 11.19 Lacs of the Previous Year. The Net Loss during the year was Rs. 17.90 Lacs compared to Net Loss of Rs. 65.27 Lacs during the previous year.

DIRECTORS:

As per the Article of Association of the Company and provisions of the Companies Act, 1956, Mr. Munendrasingh Jadon, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts for the year 2007-2008, 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.
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, 2008 on a going concern basis.

DEPOSITS

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

CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance, as stipulated under Clause 49 of the Listing Agreement. A Separate Report on Corporate Governance, along with a Certificate from the Auditors of the Company confirming such compliance is annexed and forms part of this Report.

HUMAN RESOURCES:

Your Company has taken certain important steps towards development and retention of employees. 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:

The Auditors, M/s Asim Mehta & Associates, Chartered Accountants, Ahmedabad, hold office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment if made, would be in accordance with section 224 (IB) of the Companies Act, 1956. The Board recommends their re-appointment.

ACKNOWLEDGEMENT:

The Board of Directors would like to express its sincere thanks for the gratitude to Financial Institutions, Banks and various government and regulatory agencies for the co-operation extended to the Company. Your Directors also take this opportunity to thank the shareholders and customers for the confidence reposed by them and their continued Patronage.

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

For and behalf of the board

Place : Ahmedabad
Date : 3rd September, 2008

NAGESH BHANDARI
Director



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Your Company believes that Corporate Governance is a set of guidelines to help to fulfil its responsibilities to all its stakeholders' i. e. Investors, Customers, Vendors, Government Employees, associates and society. It is a voluntary code of self-discipline to transparency, accountability and integrity. The Company has set its corporate governance philosophy to enhance the long-term value of Company's Stakeholders.

Your Company believes that the Corporate Governance is not restricted to the Board system and audit committees. It is an approach to sustainable development. The following report on the implementation of the Corporate Governance code is sincere effort of the company to follow the corporate Governance principles in its letter and spirit.

2. Board of Directors:

The Board of Directors of the Company has a mix of Executives, Non Executives and Independent Directors. The Board of Directors of the Company consists of 6 directors, of which 2 are Independent Directors. Table below gives the composition of the Board as on 31st March, 2008.

Name & Designation of the Directors	Category	No of directorship held in other companies As on March 31 2008	No of committees Memberships held in other companies
Dr. Nagesh Bhandari	Chairman & Promoter Director	3	NIL
Mr. Shailesh Bhandari	Promoter Director	4	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

* Mr. Avinash Bhandari and Dr. Gitesh K. Shah have resigned from the Directorship of the Company w.e.f. 1st June, 2008

❖ Directorship in other Companies mentioned above excludes directorship in Private Companies and unlimited Companies.

The Directors bring to the Board wide range of experience and skills

Board Meetings:

During the year under report 7 (Seven) meetings were held on April 5, 2007; April 30, 2007; July 31, 2007; August 31, 2007; September 6, 2007; October 31, 2007 and January 31, 2008.

The following table gives the attendance record of the Directors at the Board as well as last Annual General Meeting.

Name	No. of Board meeting attended	Attendance at the last AGM
Dr. Nagesh Bhandari	07	Yes
Mr. Shailesh Bhandari	07	Yes
Mr. Avinash Bhandari	07	Yes
Dr. Gitesh K. Shah	04	No
Mr. Hement B. Desai	04	No
Mr. Munendra Singh Jadon	07	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:

Currently Magnum has two Board level committee Viz. Audit Committee and Shareholders' Grievance Committee. Both Committees have combination of Executive, Non Executive and Independent Directors. The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committee.

A. Audit Committee:

As on 31st March 2008, the Audit Committee comprises of three Directors of which two are independent as detailed below:

- | | |
|----------------------------|----------|
| 1. Mr. Munendrasingh Jadon | Chairman |
| 2. Mr. Hement Desai | Member |
| 3. Mr. Avinash Bhandari | Member |

The Audit Committee was re-constituted w.e.f. 01.06.2008. Mr. Shailesh Bhandari has been appointed as member of Audit Committee in place of Mr. Avinash Bhandari.

During the year under report five meetings of the Audit Committee were held on April 30, 2007; July 31, 2007; August 31, 2007; October 31, 2007 and January 31, 2008.

Details of meetings of Audit Committee and attendance

Name	Designation	No. of Committee meeting attended
Mr. Munendrasingh Jadon	Chairman	5
Mr. Hemant Desai	Member	4
Mr. Avinash Bhandari	Member	5

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:

As on 31st March 2008, the Shareholder's Grievance Committee comprises of three Directors of which two are independent.

The Composition of the Committee is as under:

- | | |
|----------------------------|----------|
| 1. Dr. Nagesh Bhandari | Chairman |
| 2. Mr. Hement Desai | Member |
| 3. Mr. Munendrasingh Jadon | Member |

The Committee is authorised to approve the transfer of shares, review & records shareholder grievance, if any and expedite process of redressal of complaints like non-transfer of shares, non-receipt of annual report, non-receipt of dividends etc.

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

During the financial year 2007-2008, four meetings of the Shareholders' Grievance Committee were held. As per Clause 47(a) of the listing Agreement, Ms. Meenu Maheshwari is appointed as Company Secretary and Compliance Officer of the Company w.e.f. 6th September 2007.

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

4. General Body Meeting:

Details of Annual General Meetings of the Company held during last 3 Years are as follows:



AGM	Financial Year	Venue	Date	Time
15th	2006 – 2007	A-1, Skylark Apartment, Satellite Road , Satellite, Ahmedabad:- 380 015	29.09.2007	11:00 AM
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

Special Resolutions:

The following special resolution was passed at the 14th 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

No Special Resolution was passed through Postal Ballot under Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 during the year 2007-2008 nor any resolution is proposed to be conducted through postal ballot.

5. Disclosures:

Disclosures on materially significant related party transactions:

There are no materially significant related party transaction i.e. transaction material in nature, between the Company and its promoter, Directors or management or their relatives etc. having any 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, 2008. 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 has promptly reported all material information including declaration of quarterly financial result etc. to Stock Exchange where the securities of the company are listed. The Company normally publishes the quarterly results in Western Times in English and Gujarati editions.

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

**7. General Shareholder Information:****A. Annual General Meeting:**

Date : 30.09.2008

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 Ending 30th June, 2008 : By 31st July, 2008
 Second Quarter Ending 30th September, 2008 : By 31st October, 2008
 Third Quarter Ending 31st December, 2008 : By 31st January, 2009
 Fourth Quarter Ending 31st March, 2008 : By 30th April / June, 2009

D. Book Closure Date: September 23, 2008 to September 30, 2008 (Both days Inclusive)**E. Listing on Stock Exchange(s):**

Your Company's Shares are listed on

Sr. No.	Name of Stock Exchange	Address of Stock Exchange
1	Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Notes:

- The equity shares of the Company has been delisted from Vadodara Stock Exchange Ltd. w.e.f. 07.05.2008.
- Annual Listing fees for the year 2008 -2009 have been duly paid to the stock exchange.

F. Stock Code:

- a) Bombay Stock Exchange Ltd : 530347
 b) ISIN : INE591B01018

G. Share Transfer Agent :

The Company being a Category II Share Transfer Agent, had an In-House Share transfer department up to 11th May, 2008. However, M/s Intime Spectrum Registry Ltd. was appointed as Share Transfer Agent of the Company w.e.f. 12th May, 2008 for entire function of share registry.

Shareholders are requested to send their share transfer related requests at the following address:

INTIME SPECTRUM REGISTRY LTD.

211, Sudarshan Complex, Near Mithakhali under Bridge,
Navrangpura, Ahmedabad – 380 009 Phone No. (079) 26465179

8 . a) Categories of Shareholding as on March 31, 2008

Category	No. of Shares	% to Share Capital
Indian Promoters	1937033	44.29
Mutual Funds	62800	1.44
Bank ,Financial Institute	Nil	Nil
Private Corporate Bodies	413233	9.45
NRIs	37807	0.86
FII's	Nil	Nil
Clearing Members	2075	0.05
Indian Public	1920152	43.91
Total	4373100	100.00