

**NOTICE FOR 19TH ANNUAL GENERAL MEETING**

Notice is hereby given that the 19th Annual General Meeting of Magnum Limited will be held on Friday, 30th September, 2011 at 11.30 a.m. at S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with Schedules annexed thereto as well as the Report of the Directors' and Auditors' attached therewith.
2. To appoint a Director in place of Dr. Nagesh Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board of Directors**

Date : 11th August, 2011

Place : Ahmedabad

**Nagesh Bhandari**  
**Chairman**

**NOTE :**

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 A MEMBER OF THE COMPANY. THE PROXY AS PER THE FORMAT ATTACHED IN THE ANNUAL REPORT SHOULD BE RETURNED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING THE ANNUAL GENERAL MEETING.
2. Members / Proxy should bring the Attendance Slip sent herewith duly filled in for attending the Annual General Meeting.
3. Member desiring any information on the Accounts and operations are requested to write to the Company at last 10 days prior to the meeting so as to enable the Management to keep the information ready at the meeting.
4. The register of the members and share transfer books of the Company will remain closed from 26th September, 2011 to 30th September, 2011 (Both days inclusive).
5. The Ministry of Corporate Affairs vide circular no. 17/2011 dated 21<sup>st</sup> April, 2011 and circular no. 18/2011 dated 29<sup>th</sup> April, 2011 has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Registrar & Share Transfer Agent of the company Link Intime India Pvt. Ltd.

**Particulars of the Directors seeking Appointment / Re-Appointment at the ensuing Annual General Meeting pursuant to clause 49 of the Listing Agreement :**

<b>Name of Director</b>	<b>Dr. Nagesh Bhandari</b>
Age	54 years
Date of Appointment	03/10/2006
Qualification	M.S. (Orthopedics)
Expertise in functional areas	He is practicing as Orthopedic Surgeon since 27 years and as Spine Surgeon Since last 10 years. He gives his services in various Hospitals in Ahmedabad.
Directorship held in other Public Limited Companies	1. Ahmedabad Aviation And Aeronautics Limited 2. E-Motion Power Limited 3. Electrotherm Solar Limited 4. Global Avianautics Limited 5. Gujarat Mint Alloys Limited 6. Western India Speciality Hospital Limited
Membership / Chairmanship of Committees	Western India Speciality Hospital Limited – Member of Audit Committee
No. of shares held in the Company	NIL

**DIRECTORS' REPORT**

To  
The Members,  
**MAGNUM LIMITED**  
Ahmedabad

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company together with Audited Accounts for year ended on 31st March, 2011.

**FINANCIAL PERFORMANCE :**

(Amount in Rupees)

Particulars	Year ended 31 <sup>st</sup> March, 2011	Year ended 31 <sup>st</sup> March, 2010
Sales and other Income	2,100	3,050
Profit / (Loss) before Interest, Deprecation & Tax	(397,876)	(407,730)
Profit / (Loss) before Deprecation & Tax	(398,204)	(407,890)
<b>Profit / (Loss) before Tax</b>	(486,656)	(715,667)
Deferred Tax Assets / (Liability)	(9,704)	50,973
<b>Net Profit / (Loss)</b>	(496,360)	(664,694)
Balance Carried Forward	(3,505,998)	(3,009,638)

**DIVIDEND :**

Due to the loss incurred by the Company, your Directors express their inability to recommend any dividend for the year under review.

**OPERATIONS :**

The Company has discontinued the business activities since 2009 and as such there was no income from operations during the financial year. The net Loss during the year was Rs. 4,96,360 compared to Net Loss of Rs. 6,64,694 during the previous year.

**DIRECTORS :**

In accordance with the provisions sub-section (1) of section 256 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Dr. Nagesh Bhandari, Director of the Company retires rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

For persual of the Shareholders, a brief resume of the Director being re-appointed is given and forms part of the Notice. Your Directors recommend their re-appointment

**DIRECTOR'S 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 financial year ended 31st March, 2011, the applicable accounting standards had been followed alongwith proper explanations relating to material departures, if any;
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 of the Company at the end of the financial year of the Company and of the loss of the Company for that period;
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 Board of Directors had prepared the annual accounts for the financial year ended 31st March, 2011 on a going concern basis.



## AUDITORS & AUDITORS REPORT

M/s. Asim Mehta & Associates, Chartered Accountants, Ahmedabad, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and the Company has received a certificate pursuant to section 224(1B) of the Companies Act, 1956 from them to the effect that their re-appointment, if made, will be in accordance with the limits as specified in the said section.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification / explanation. The Notes to Accounts forming Part of the financial statements are self explanatory and need no further explanation.

## DEPOSITS

The Company has neither accepted nor invited any deposits from public, within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Rules made there under.

## CORPORATE GOVERNANCE:

Your Company has complied with the mandatory provisions of Clause 49 relating to Corporate Governance of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance and the certificate from Company's auditors confirming the compliance of conditions on Corporate Governance is annexed and forms part of this Report.

## COMPLIANCE CERTIFICATE

Compliance Certificate of M/s Jignesh A. Maniar & Associates, Company Secretaries, Ahmedabad as required under the provisions of sub-section (1) of section 383A of the Companies Act, 1956 is annexed herewith.

## HUMAN RESOURCES

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

## PARTICULARS OF EMPLOYEES

The particulars required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable as there are no employees falling in that category.

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

The information required under the provisions of the 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 financial year.

## APPRECIATION AND ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued guidance and support provided by Banks, Government Authorities, Auditors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Staff members of the Company.

**By Order of the Board of Directors**

**Nagesh Bhandari**  
**Chairman**

Date : 11th August, 2011  
Place : Ahmedabad

**COMPLIANCE CERTIFICATE**

To,  
The Members  
MAGNUM LIMITED  
Ahmedabad

We have examined the registers, records, books and papers of **MAGNUM LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2011** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made there under. However, the Company was not required to file any forms and returns to Regional Director, Company Law Board, Central Government or such other authorities.
3. The Company being Limited Company, has minimum prescribed paid up capital.
4. The Board of Directors duly met **4 (Four)** times on 29<sup>th</sup> May, 2010, 31<sup>st</sup> July, 2010, 2<sup>nd</sup> November, 2010 and 4<sup>th</sup> February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company did not pass any circular resolution during the financial year.
5. The Company closed its Register of Members and Share Transfer Books from 20<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on **31<sup>st</sup> March, 2010** was held on **24<sup>th</sup> September, 2010** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. **No** Extra-Ordinary General Meeting was held during the financial year.
8. The Company **has not** advanced any loans to its directors and / or persons or firms or companies referred in section 295 of the Act.
9. The Company **has not** entered into any contracts to which the provisions of section 297 of the Act applies.
10. The Company has made necessary entries in the register maintained under section 301 of the Act for disclosure of interest by the Directors under section 299 of the Act.
11. As there **were no** instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company **has not** issued any duplicate share certificate during the financial year.
13. The Company has:
  - (i) delivered all the share certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act. There was no allotment of securities during the financial year.
  - (ii) not declared any dividend during the financial year under review.
  - (iii) not required to post warrants for dividends to any members of the Company, as no dividend was declared during the financial year.
  - (iv) not required to transfer to Investor Education and Protection Fund, the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, as there was no amount which had remained unclaimed or unpaid for a period of seven years.
  - (v) duly complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. There was no appointment of Directors, Additional Directors and Alternate Directors to fill casual vacancy during the financial year.
15. The Company **has not** appointed any Managing Director/ Whole Time -Director/ Manager during the financial year.
16. The Company **has not** appointed any sole-selling agent during the financial year.
17. The Company **was not** required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company **has not** issued any shares/ debentures / other securities during the financial year.
20. The Company **has not** bought back any shares during the financial year.
21. The Company **has not** issued any preference shares/ debentures; therefore question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company **has not** invited or accepted any deposit from public falling within the purview of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year is within the borrowing limits of Company.
25. The Company **has not** made any loans or investments or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company **has not** altered the provisions of the Memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.
27. The Company **has not** altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company **has not** altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company **has not** altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company **has not** altered its Articles of Association during the financial year.
31. There was **no** prosecution initiated against or shows cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year for alleged offences under the Act.
32. The Company **has not** received any money from its employees as security deposit pursuant to section 417(1) of the Act during the financial year.
33. The Company **has not** constituted any trust for its employees and hence provisions of section 418 of the Act are not applicable.

**For JIGNESH A. MANIAR & ASSOCIATES  
COMPANY SECRETARIES**

**JIGNESH A. MANIAR  
PROPRIETOR  
C.P.No. : 6996**

Place : Ahmedabad  
Date : 11th August, 2011



## Annexure A

### Registers as maintained by the Company

1. Register & Index of Members u/s 150 of the Companies Act, 1956
2. Register of Director etc. u/s 303 of the Companies Act, 1956
3. Register of Directors' Shareholdings u/s 307 of the Companies Act, 1956
4. Register of Companies and firms in which Directors of the Companies are interested as required under the Provisions of sec. 299 & 301 of the Companies Act, 1956
5. Register of Charges u/s 143 of the Companies Act, 1956
6. Register of Loans and Investments u/s 372A of the Companies Act, 1956
7. Minutes Book of the Board Meeting u/s 193(1) of the Companies Act, 1956
8. Minutes Book of the proceedings of General Meeting u/s 193(1) of the Companies Act, 1956.
9. Books of Accounts u/s. 209(1)(a) to (c)
10. Register of Share Transfer/ Transmissions
11. Attendance Register of Directors
12. Attendance Register of Members at General Meeting of the Company

## Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Gujarat / Ministry of Corporate Affairs during the financial year ended on **31<sup>st</sup> March, 2011**.

Sr. No.	Particulars	Filed Under Section	Date of Document	Date of Filing	Whether Delay in Filing	Additional Fees paid
1.	Form 32	303(2)	24/09/2010	18/10/2010	No	No
2.	Form 66	382A & rule 3(2) of Companies (Compliance Certificate Rules, 2001)	31/03/2010	18/10/2010	No	No
3.	Form 23AC & Form 23ACA	220	31/03/2010	18/10/2010	No	No
4.	Form 20B	159	24/09/2010	24/10/2010	No	No

**For JIGNESH A. MANIAR & ASSOCIATES  
COMPANY SECRETARIES**

**JIGNESH A. MANIAR  
PROPRIETOR  
C.P.No. : 6996**

Place : Ahmedabad  
Date : 11th August, 2011



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

Service sector of Indian economy contributes a sizeable part of India's GDP. This sector plays a leading role in the economy of India and contributes more than 50% of the overall average growth in GDP. Some of the service sectors that have grown faster than the economy are information technology, IT enabled services, telecommunications, financial services etc. The fact that the service sector now accounts for more than half the GDP marks a watershed in the evolution of the Indian economy and takes it closer to the fundamentals of a developed economy.

The Company has not carried out any business activities during the financial year and as such there was no income from operations during the financial year.

### OPPORTUNITIES AND THREATS

The financial and service sector in India has been able to recover from the global recession. The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. This will open up ample opportunities for your company to revive the business activities in future.

The financial and service sector is highly competitive after opening up of the Indian company and there are Indian & global players working in this field to serve one of the largest customer base of India. Apart from this, for revival of business activities related to service sector, the company is required to make a sizeable investments, which requires a huge cash outflow.

### SEGMENT ANALYSIS AND REVIEW

The activity of the Company was to provide service of Share Transfer related activity. However, the said activity was discontinued by the Company. Therefore the Company operates in a single business / geographical segment as envisaged in Accounting Standard (AS-17) issued by the ICAI. Hence segment wise performance is not furnished.

### FUTURE OUTLOOK

Looking at the opportunities available in the service sector and growth of the service sector post liberalization, there is a good scope for your company to revive the business activities related to software and share transfer related activities apart from venturing into new areas of service sector. Being a historically well managed company, your company has a good outlook for the future in Service sector related business activities.

### RISKS & CONCERNS

Our Company like other companies is exposed to various types of risks, such as financial risks, business risks, legal & statutory risks, political risks, management risks, knowledge risks etc. Externally, the Company is exposed to financial risks, strategic risks, operational risks and hazard risks. Internally, it is exposed to liquidity & cash flow risks, risks regarding intellectual capital, accounting controls, information systems etc.

### INTERNAL CONTROL AND ADEQUACY

Your Company has a proper and adequate internal control to ensure all assets are safeguard and protected against loss from unauthorized use or disposition.

The Internal Control System is designed to ensure that financial and other records are reliable for preparing financial information and other Data and for maintaining accountability of the assets. Our Company has robust internal system and process in place for ensuring the smooth conduct of its operations.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures.

### FINANCIAL PERFORMANCE

During the year 2010-2011, the total income of the Company was Rs. 2100 compared to Rs. 3050 of the previous year. This was mainly due to discontinuation of share transfer related activity by the company.

The Net Loss before tax of the Company during the year was Rs. 4,86,656 as against loss Rs. 7,15,667 during the previous year. The Net Loss after tax including deferred tax was Rs. 4,96,360 as against loss Rs. 6,64,694 in the previous year.





## HUMAN RESOURCES

Our Company has great value for the commitment, competence and vigor shown by its employees in all aspects of business. Our Company confirms to align the policies of its human resources as per the business requirements.

The board would like to express its sincere appreciation and gratitude on behalf of all the stakeholders of the Company, who benefit from the hard work of the employees.

### **CAUTIONARY STATEMENT**

*Statement in this Management Discussion and Analysis report detailing the Company's objective, projections about the future, estimates, expectations or predictions including, but not limited to, statements about the Company's strategy for growth, products development, market position and expenditures may be "forward - looking statements" within the meaning of applicable securities laws and regulations.*

*Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes or other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.*





## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy is based on the principle that better Corporate Governance adds considerable value to the operational performance. As such the Company has implemented a system to ensure transparency, control, accountability, responsibility and fairness in all areas of operations.

The good Corporate Governance practice is imperative for the growth of any enterprise in the long term perspective. Fair and Transparent business practices alongwith timely disclosure of financial and corporate information is very essential for the confidence and harmonious relationship with all the stakeholders. The Company is in compliance with the Clause 49 of the listing agreement prescribed by the Stock Exchange and SEBI.

### I. BOARD OF DIRECTORS

As on 31st March, 2011 the strength of the Board of Directors of the Company has an optimum combination of Executive and Non-executive Directors. The Board of Directors comprises of four Directors, of which two Directors were Non-Executive & Independent Directors. Composition of Board is in conformity with the provisions of the Clause 49 (I)(A) of the Listing Agreement.

Composition of the Board of Directors and other related matters as on 31st March, 2011 alongwith their attendance at the Board Meeting and last Annual General Meeting are as under:

Name of Directors	Category	No. of other Directorship held	No. of Board committees of which member/ Chairman	No. of Board Meeting during the year 2010-2011		Attendance at last AGM held on 24.09.2010
				Held	Attended	
Dr. Nagesh Bhandari	Chairman & Executive Director	6	1	4	4	Yes
Mr. Shailesh Bhandari	Promoter & Executive Director	14	5	4	4	Yes
Mr. Ram Singh	Independent & Non-Executive Director	1	2	4	4	No
Mr. Munendrasingh Jadon	Independent & Non-Executive Director	Nil	Nil	4	4	Yes

Details of Directorship given above exclude directorship held in Private Companies, Foreign Companies and Companies registered under section 25 of the Companies Act, 1956. Details of committee membership includes Membership / Chairmanship of Audit Committee and Shareholder's / Investors' Grievances Committee of the Public Companies.

### BOARD MEETING

The Board Meetings are normally held at the registered office of the Company in Ahmedabad. The Board meets at least once a quarter with gap between two meetings not exceeding four months. The Board agenda papers and other explanatory notes are circulated to the Directors.

The Board of Directors met 4(Four) times during the year under review which are held as under.

May 29,2010; July 31, 2010; November 2, 2010, February 4, 2011

### II. COMMITTEES OF BOARD

Currently Magnum Limited 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 the Committee and its members.