
Annual Report

2008-09

THE BOARD OF DIRECTORS

Mr. Jaydev Mody Chairman
Ms. Urvi Piramal
Mr. Ashish Kapadia
Capt. Ratnakar Barick Whole-Time Director
Mr. Javed Tapia
Mr. Mahesh Gupta
Mr. Rajesh Jaggi

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dhrumil Shah

REGISTERED OFFICE

16/A, Ali Chambers,
2nd Floor, Nagindas Master Road,
Fort, Mumbai -400 001, Maharashtra.

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
(Formerly Amtrac Management Services 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

CONTENTS

Page

Notice.....	1
Directors' Report.....	9
Management Discussion and Analysis	14
Corporate Governance Report.....	16
Auditors' Report.....	23
Balance Sheet.....	26
Profit and Loss Account.....	27
Cash Flow Statement	28
Schedules	29
Balance Sheet Abstract	42
Attendance Slip & Proxy Form.....	End of Report

NOTICE

Notice is hereby given that the 27th Annual General Meeting of members of Delta Magnets Limited will be held on Tuesday, 29th September, 2009 at 2.30 p.m. at Ping Pong Hall, Club Peninsula, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 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. Javed Tapia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Special Business:

4. **Appointment of Mr. Mahesh Gupta as a Director of the Company.**

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 257 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being force), Mr. Mahesh Gupta, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 132 of Articles of Association 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 Mr. Mahesh Gupta, 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. **Appointment of Capt. Ratnakar Barick as a Director of the Company.**

To consider and if thought fit to pass with or without

modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provision of Section 257 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being force), Capt. Ratnakar Barick, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 132 of Articles of Association 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 Capt. Ratnakar Barick, 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.”

6. **Appointment of Mr. Ashish Kapadia as a Director of the Company.**

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 257 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being force), Mr. Ashish Kapadia, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 132 of Articles of Association 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 Mr. Ashish Kapadia, 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.”

7. **Appointment of Mr. Rajesh Jaggi as a Director of the Company.**

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provision of Section 257 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being force), Mr. Rajesh Jaggi, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 132 of Articles of Association 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 Mr. Rajesh Jaggi 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.”

8. Appointment and Fixation of Remuneration of Capt. Ratnakar Barick as a Whole-Time Director.

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being force), the consent of the members of the Company be and is hereby accorded to the appointment and payment of remuneration to Capt. Ratnakar Barick as Whole-Time Director of the Company for a period of 3 years commencing on 23rd October, 2008 on the remuneration as stated hereunder and on such terms and conditions to be stated in the draft appointment letter and further, with powers to the Board of Directors (which term shall be deemed to include any “committee” thereof) to alter, amend, vary and modify the terms and conditions of the said appointment/ re- appointment and remuneration payable from time to time, as it deems fit, in such manner as may be mutually agreed upon:

Terms and Conditions:

1	Period: The appointment will be effective from 23rd October, 2008 for a period of 3 years.
2	Salary: Basic Salary of Rs. 75,000/- per month* *With authority to the Board of Directors of the Company (which term shall also include any Committee thereof) to grant suitable increment in accordance with the provisions of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956.
3	Allowances: (i) House Rent Allowance of Rs. 30,000/- per month. (ii) Special Allowance as per the rules of the Company, presently Rs. 75,333/- per month.
4	Perquisites: <ul style="list-style-type: none"> • Reimbursement of medical expenses incurred by Capt. Ratnakar Barick and his family on an Actual Basis subject to Maximum of Rs. 75000/- per annum. • Leave Travel Allowance of Rs. 75000/- per annum subject to the provisions of the Income Tax rules. • Use of Company’s Car and Mobile Phone for business use. • Commission of Rs. 5,00,000/- per annum payable as per the Company’s policy. • Payment of Provident Fund, Gratuity etc. as per the rules and regulations of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized at its discretion from time to time to increase/vary/ modify and amend the actual remuneration, perquisites and other terms and Conditions as mentioned in the appointment letter of Capt. Ratnakar Barick, provided such increase/ variation/ modification and amendment is in conformity with the applicable provisions of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to make necessary application to the Central Government, if necessary, for seeking their approval to the said appointment and remuneration and also to do all such acts, deeds,

matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

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. An explanatory statement under Section 173 of the Companies Act, 1956 in respect of Item No. 4,5,6,7 and 8 to be transacted at the Meeting is appended hereto.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2009 to 29th September, 2009 (both days inclusive).
4. Members are requested to note that the name of the Company's Registrars and Share Transfer Agent was changed from Amtrac Management Services Limited to Freedom Registry Limited with effect from 16th April, 2009. However address of the Company's Registrars and Share Transfer Agent remains the same.
5. Members who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company and to their respective Depository Participants, in case shares are held in electronic mode.
6. 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 Registrars and Share Transfer Agents of the Company at their Nasik address.
7. 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 Registrars and Share Transfer Agents of the Company at their Nasik address.
8. 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.
9. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify to the Company for 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.
10. Members desirous of asking any questions at the Annual General Meeting are requested to send 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.
11. At the ensuing General Meeting, Mr. Javed Tapia shall retire by rotation and being eligible for re-appointment. Mr. Mahesh Gupta, Capt. Ratnakar Barick, Mr. Ashish Kapadia and Mr. Rajesh Jaggi, being confirmed as Director of the Company at the same meeting. The particulars of the said Directors pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are forming the part of this Notice.

By Order of the Board of Directors

**Dhrumil Shah
Company Secretary**

Mumbai, 28th July, 2009.

Registered Office:

16/A, Alli Chambers, 2nd Floor,
Nagindas Master Road, Fort,
Mumbai-400 001, Maharashtra.

EXPLANATORY STATEMENT

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

1. ITEM NO. 4

The Board of Directors appointed Mr. Mahesh Gupta as an Additional Director of the Company w.e.f. 29th September, 2008.

Under Section 260 of the Companies Act, 1956, Mr. Mahesh Gupta 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 Mr. Mahesh Gupta as Director of the Company.

Mr. Mahesh Gupta is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profile of Mr. Mahesh Gupta, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming the part of this Notice.

Save and except, Mr. Mahesh Gupta, no other Directors of the Company are interested in this resolution, except as a member of the Company.

2. ITEM NO. 5 AND 6

The Board of Directors appointed Cap. Ratnakar Barick and Mr. Ashish Kapadia as an Additional Directors of the Company w.e.f. 23rd October, 2008.

Under Section 260 of the Companies Act, 1956, Capt. Ratnakar Barick and Mr. Ashish Kapadia holds office as Directors up to the date of the forthcoming Annual General Meeting.

The Company has received notice from the members under Section 257 of the Companies Act, 1956, signifying their intention to propose the appointment of Capt. Ratnakar Barick and Mr. Ashish Kapadia as Directors of the Company.

Capt. Ratnakar Barick and Mr. Ashish Kapadia are not disqualified from being appointed as Directors in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profiles of Capt. Ratnakar Barick and Mr. Ashish Kapadia, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming the part of this Notice.

Save and except Capt. Ratnakar Barick and Mr. Ashish Kapadia, no other Directors of the Company are interested in the resolution, except as a member of the Company.

3. ITEM NO. 7

The Board of Directors appointed Mr. Rajesh Jaggi as an Additional Director of the Company w.e.f. 29th June, 2009.

Under Section 260 of the Companies Act, 1956, Mr. Rajesh Jaggi 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 Mr. Rajesh Jaggi as Director of the Company.

Mr. Rajesh Jaggi is not disqualified from being appointed as Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

Brief profile of Mr. Rajesh Jaggi, as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is forming the part of this Notice.

Save and except, Mr. Rajesh Jaggi, no other Directors of the Company are interested in the resolution, except as a member of the Company.

4. ITEM NO. 8

The Board of Directors approved the terms and conditions of Appointment and Remuneration of Capt. Ratnakar Barick as Whole - Time Director of the Company for period of 3 years at its meeting held on 23rd October, 2008. Subsequently the Remuneration Committee has revised the remuneration of Capt. Retnakar Barick on 1st July, 2009. Following are the mandatory disclosures pursuant to provisions of schedule XIII of the Companies Act, 1956, to justify

the proposed remuneration paid to Whole-Time Director.

I. General Information:

(1) Nature of Industry

Delta Magnets Limited (formerly known as G.P. Electronics Ltd.) is engaged in the business of Hard Ferrite Permagnet Magnet used in the consumer electronic industry and auto industry .

(2) Date of commencement of commercial production

15th September, 1985

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

(4) Financial performance based on given indicators.

(Amounts in rupees Lacs)

Particulars	2008-09	2007-08	2006-07	2005-06
Sales and other income	781.66	839.50	765.68	724.56
Profit /(Loss) after tax	(126.54)	16.43	(265.56)	(461.42)
Equity capital	486.09	486.09	486.09	486.09
Reserves and surplus	1624.55	413.80	410.54	676.10

(5) Export performance and net foreign exchange collaborations.

Presently Company is not exporting any of its products.

(6) Foreign investments or collaborators, if any.

N.A

II. Information about the appointee:

(1) Background details:

Capt. Ratnakar. Barick aged 63, has done B.E. (Electrical) and he has also done professional courses like Advance Electrical and Electronics Engineering for 2 years from Naval Electrical School and Advance Marine Equipment Training for one year at Russian Naval Training Institute.

Capt. Ratnakar Barick has worked in various capacities in a large number of Naval Ships and Establishments notable ones being:

- Submarine rescue ship
- Modern Russian Destroyer
- Hybrid Frigate built by Mazagon Dock
- Naval Dockyard, Mumbai
- Naval Dockyard, Visakhapatnam
- Naval Electrical Training College, Jamnagar as head of training.

He was the General Manager (Works) of a medium sized process plant and also the Vice-President (Operations) of Peerless Fabrikernne (India) a 100% EOU from 1996 till 1999.

(2) Past remuneration:

Capt. Ratnakar Barick was appointed first time as a Whole-Time Director in the Company, therefore past remuneration as a Director is not available.

(3) Recognition or awards:

- He received for two times, Commendation by Flag Officer, Commanding Western Naval Command, Indian Navy.
- He received Medals for participating in 1971 war.

(4) Job profile and his suitability:

Capt. Ratnakar Barick has 38 years of enriched experience in the filed of engineering. The Board of Directors is of the opinion that Capt. Ratnakar Barick experience will be of immense use to the Company to achieve growth in future. He shall be responsible for the management of the affairs of the Company.

(5) Remuneration proposed:

As per the details provided in the Special Resolution.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Looking into his qualification, experience and expertise in the industry, the Board of Directors of the Company decided to appoint Capt. Ratnakar Barick as a Whole - Time Director. The remuneration paid to Capt. Ratnakar Barick is reasonable considering the trends in the industry.

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.

Capt. Ratnakar Barick has no other relationship with the Company or with the Managerial personnel, except the remuneration being paid to him as Whole - Time Director of the Company.

III. Other information:

- (1) Reasons of loss or inadequate profits.

The Company had stopped production of LSR (Loud Speaker Ring) magnets due to declining margin. The Company switched over to Sector Magnets which was entirely new business. Sector Magnet business is a customer specific product business as compare to commodity business of LSR. Discontinuing ring production (300 MT/Month) and starting of sector business from scratch, resulted into losses, which are carried forward till today. Further Sector Magnet business is dependent on Auto Industry. Recent global recession and particularly in auto industry is the major reason for the losses suffered by the Company.

- (2) Steps taken or proposed to be taken for improvement.

The Company has taken following steps for improvements:

- a) Reduction in fixed cost
 - b) Upgradation of the Plant, keeping in mind the trends in automobile industry.
 - c) Aggressive marketing to capture sizable Shares in auto industry.
 - d) New product development to cater the needs of fast growing Auto Industry.
 - e) Concentrating on the Export Market.
 - f) Enhancing production facilities.
- (3) Expected increase in productivity and profits in measurable terms.

The steps as discussed above, both short term and long term are expected to yield results in a coming years.

IV. Disclosures:

Remuneration package as mentioned in the Special Resolution.

None of the Directors of the Company, except Capt. Ratnakar Barick, himself, is concerned or interested in the Resolution.

The Board recommends the above Special Resolution for the approval by the Members.

By Order of the Board of Directors

Dhruvil Shah
Company Secretary

Mumbai, 28th July, 2009.

Registered Office:

16/A, Alli Chambers, 2nd Floor,
Nagindas Master Road, Fort,
Mumbai -400001, Maharashtra.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Particulars	Mr. Javed Tapia	Mr. Mahesh Gupta	Capt. Ratnakar Barick
Date Birth	12th August, 1966	30th June, 1956	18th Sept. 1945
Date of Appointment	14th March, 2008	29th September, 2008	23rd Oct. 2008
Qualifications	Post Graduate in Business Administration	Chartered Accountant and Company Secretary	B.E in Electrical
Expertise in specific functional area	Business Management	Treasury Management, Merger and Acquisitions, Strategic Planning, Direct Taxation, Company Law matters etc.	Electronics Engineering
Directorships held in other companies	Bayside Properties Private Limited Beverly Hills Realty Private Limited Blackpool Realty Private Limited Clover Estates Private Limited Clover Housing & Developments Private Limited Clover Holdings & Trading Private Limited Clover Infotech Private Limited Clover Realty & Infrastructure Private Limited Clover Technologies Private Limited Clover Solar Private Limited Clover Livestock Private Limited Corniche Realty Private Limited Corniche Farms Private Limited Croniche Land Private Limited Deluxe Developers Private Limited Intertrade Mercantile Company Private Limited	Ashok Piramal Management Corpn Limited Boom Realty Private Limited Ceat Limited Champs Elysee Enterprises Private Limited City Parks Private Limited Delta Corp Limited Morarjee Textiles Limited Peninsula Investment Management Company Limited Peninsula Land Limited Peninsula Pharma Research Centre Private Limited Renato Finance & Investments Private Limited RPG Life Sciences Limited Topvalue Brokers Private Limited	Goalseek Solutions Private Limited
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/ Investors Grievances Committee)	Nil	Ceat Limited Delta Corp Limited Morarjee Textiles Limited Peninsula Land Limited Peninsula Investment Management Company Limited RPG Life Sciences Limited	Nil
Number of shares held in the Company, individually or jointly/ on a beneficial basis.	Nil	104	Nil

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Particulars	Mr. Ashish Kapadia	Mr. Rajesh Jaggi
Date Birth	20th Sept.1969	7th January, 1969
Date of Appointment	23rd October, 2008	29th June, 2009
Qualifications	Bachelor in Commerce	MBA (Boston, U.S.A)
Expertise in specific functional area	Business Management and Capital Market related Activities.	Business Management
Directorships held in other companies	Aryanish Finance and Investment Private Limited Dacapo Brokerage India Private Limited Delta Corp Limited Delta Real Estate Consultancy Private Limited Elixir Infotech Private Limited Freedom Registry Limited Freedom Training Academy Private Limited Highstreet Cruises and Entertainment Private Limited Mundus Hospitality Private Limited Newplaza Multitrade Private Limited	Addvalue Trading Company Private Limited Antarctica Trading Company Private Limited Ashok Piramal Mega Properties Private Limited Ashok Piramal Mega-city Development Private Limited Ashok Piramal Township Development Private Limited Boom Realty Private Limited Champs Elysee Enterprises Private Limited City Parks Private Limited Delta Corp Limited Highstreet Cruises and Entertainment Private Limited Inox Mercantile Company Private Limited Peninsula Devlopers and Builders Private Limited Peninsula Investment Management Company Limited Peninsula Land Development Private Limited Peninsula Land Limited Peninsula Mega Township Developers Private Limited Peninsula Real Estate Management Private Limited Peninsula Real Estate Services Private Limited Planetview Mercantile Company Private Limited Red Rocket Entertainmet Private Limited Rockfirst Real Estate Private Limited RR Mega City Builders Private Limited RR Mega Property Developers Private Limited RR Real Estate Development Private Limited SEW Electricals Private Limited Takenow Property Developers Private Limited Topstar Realty Private Limited Topzone Mercantile Company Private Limited
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievances Committee)	Delta Corp Limited	Delta Corp Limited
Number of shares held in the Company, individually or jointly/ on a beneficial basis.	Nil	Nil

DIRECTORS REPORT

Your Directors present their 27th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2009.

Financial Highlights

(Rs. In '000)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Income for the year	78166.19	83950.31
Profit before Interest, Depreciation and Tax	1024.93	4561.18
Finance Charges	(52.51)	(28.22)
Profit before Depreciation and Taxes	972.43	4532.95
Depreciation	(12502.05)	(15669.69)
Provisions for Taxation/ Deferred Tax	(52.80)	12779.29
Prior Period Items / Extra Ordinary Items	(1071.97)	-
Net Profit/Loss for the Current Year	(12654.40)	1642.55
Earlier Years Balance Brought forward	(76414.39)	(78056.94)
Balance carried to Balance Sheet	(89068.78)	(76414.39)

Dividend

In view of the losses incurred by the Company, the Directors do not recommend any dividend for the Financial Year ended 31st March, 2009.

Operations

During the year under review, your Company recorded a total income of Rs. 781.66 Lacs and Net Loss of Rs. 126.54 Lacs. For further information kindly refer to Management Discussion and Analysis Report forming a 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 to 12 of the Takeover Regulations are given in Annexure A to this Report.

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 report.

Particulars of Employees

In terms of the 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 appointed Mr. Mahesh Gupta as an Additional Director of the Company w.e.f. 29th September, 2008. On 23rd October, 2008, the Board of Directors appointed Capt. Ratnakar Barick and Mr. Ashish Kapadia as an Additional Directors of the Company and on the same meeting Capt. Ratnakar Barick appointed as Whole-Time Director of the Company. On 29th June, 2009 Mr. Rajesh Jaggi was appointed as Additional Director of the Company.

Under Section 260 of the Companies Act, 1956, Mr.

Mahesh Gupta, Capt. Ratnakar Barick, Mr. Ashish Kapadia and Mr. Rajesh Jaggi holds office as Director up to the date of the ensuing Annual General Meeting.

At the ensuing Annual General Meeting Mr. Javed Tapia 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 the explanatory statement to the Notice of the ensuing Annual General Meeting.

Your Directors recommend their appointment/re-appointment at the ensuing Annual General Meeting.

Change of Name

During the year, name of the Company was changed from G.P. Electronics Limited to Delta Magnets Limited, w.e.f. 31st October, 2008.

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 31st March, 2009, 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 31st March, 2009 and of the profit and loss 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 31st March, 2009 on 'going concern' basis.

Deposits and Loans/ Advances

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

Auditors & Auditors Report

The Board of Directors has recommended to appoint M/s. Amit Desai & Co., Chartered Accountants, who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment as a Statutory Auditors of the Company. Members are requested to consider the re-appointment. The auditors comments on the Company's accounts for the year ended on 31st March, 2009 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 performance of the Company during the year.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman

Mumbai, 28th July, 2009.

Registered Office:

16/A, Alli Chambers,
2nd Floor, Nagindas Master Road,
Fort, Mumbai - 400001, Maharashtra.

ANNEXURE A

The following are the 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 to 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Jaydev Mukund Mody	Elixir Infotech Private Limited
Zia Jaydev Mody	Freedom Registry Limited
Anjali Jaydev Mody	Highland Resorts Private Limited
Aarti Jaydev Mody	Highstreet Cruises & Entertainment Private Limited
Aditi Jaydev Mody	Intertrade Mercantile Company Private Limited
Anjali J Mody Trust	J M Holdings (USA) Inc.
Aarti J Mody Trust	J M Holdings Limited, Dubai (UAE)
Aditi J Mody Trust	J M Livestock Private Limited
AAA Holding Trust	J M Mega Properties Private Limited
AAA Aviation Private Limited	J M Property Management Private Limited
AAA Township Private Limited	J M Real Estates Private Limited
Aarti Management Consultancy Private Limited	J M Realty Management Private Limited
Aditi Management Consultancy Private Limited	J M Township & Real Estate Private Limited
Aero Ports & Infrastructure Projects Private Limited	Jayem Real Estate Private Limited
Alibagh Farming and Agriculturist Company Private Limited	Jayem Realty Management Private Limited
Anjoss Trading Private Limited	Jayem Realty Solutions Private Limited
Arrow Textiles Limited	Mundus Hospitality Private Limited
Coastal Sports Ventures Private Limited	Newplaza Multitrade Private Limited
Dacapo Brokerage India Private Limited	Onestar Mercantile Company Private Limited
Delta Corp East Africa Limited	Outreach Mercantile Company Private Limited
Delta Corp Limited	Pavurotti Finance and Investment Private Limited
Delta Holdings (USA) Inc.	Richtime Realty Private Limited
Delta Hospitality Private Limited	Riteline Exports Private Limited.
Delta Pan Africa Limited	Seastar Trading Company Private Limited
Delta Real Estate and Consultancy Private Limited	Victor Hotels and Motels Limited
Delta Realties Limited	West Star Agro - Realties Private Limited
Delta Square Limited	

ANNEXURE B

FORM - A

Disclosure of particulars with respect to conservation of energy

A. Power and Fuel consumption:

1. Electricity:

a. Purchased	2008-09	2007-08
Unit:		
('000 KWH)	2448.18	2508.42
Total Amount (Rs. in lacs)	100.20	103.62
Rate / per unit (KWH)	4.09	4.13
b. Own Generation		
(i) Through diesel generator	NIL	NIL
(ii) Through steam turbine/generator	NIL	NIL

2. LPG:

Purchased		
Unit: ('000 Kg)	476.73	443.76
Total Amount (Rs. in lacs)	197.79	164.85
Rate / per unit (Kg)	41.49	37.15

3. COAL:	Not Applicable	Not Applicable
4. Others / Internal Generation	Not Applicable	Not Applicable

B. Consumption per unit of Production:

Electricity

Hard Ferrite Segment :Power units/MT of production -	3025	3350
--	-------------	------

The consumption of electricity depends upon the product mix used and the nature of the product manufactured. Thus the above indicates an average consumption per unit of production.

L P G

Hard Ferrite Segment : K.G./MT of production -	589	593
--	------------	-----

**FORM - B
(See Rule 2)**

Form for disclosure of particulars with respect to Technology absorption

Research And Development

1. Specific Areas in which R & D has been carried out by the Company : Development of different grades of material for high power products.
2. Benefits derived as a result of above : Development of new products and new customers
3. Future plan of action : Enhancement of magnetic properties.
4. Expenditure on R & D
 - a) Capital : Nil
 - b) Recurring : Rs. 5.25 lacs p.a.
 - c) Total : Rs. 5.25 lacs p.a.
 - d) R & D expenditure as % to total turnover : 0.65%

Technology absorption, adoption and innovation:

1. Efforts made to enhance output of high value products through productivity and efficiency improvement resulted in enhanced business.
2. As a result of above activities share of high value products increased from 81 to 85% in value terms.
3. Others
 - a) Technology imported : Manufacture of hard ferrites through wet process.
 - b) Year of import : 1998-99.
 - c) Has technology been fully absorbed? : Yes.
 - d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans. : Not applicable.

Foreign Exchange Earnings and Outgo:

During the year, the foreign exchange outgo was Rs. 59.44 Lacs (Last Year Rs. 77.87 Lacs) the foreign exchange earned was Nil (Last Year Nil)

For and on behalf of the Board of Directors

**Jaydev Mody
Chairman**

Mumbai, 28th July, 2009.

Registered Office:
16/A, Alli Chambers,
2nd Floor, Nagindas Master Road,
Fort, Mumbai -400001,
Maharashtra.

MANAGEMENT DISCUSSIONS & ANALYSIS

Industry structure and developments

Delta Magnets Limited is engaged primarily in the business of sector magnet used in the auto industry. The Company's magnets are used mostly in two wheelers and cars. Though the growth prospects of this sector is very high in India, the auto sector as a whole experienced a down turn this year due recession and liquidity crunch. Some of our end customers lost as much as 43% business during October 2008 to February 2009. Consequently this down turn affected our business very adversely leading to a de-growth.

The Company entered in to the segment of sector magnet and abandoned the business of loud speaker ring magnet, due to stiff competition from China. Considering this rebirth of the Company, the growth so far has been satisfactory.

Opportunities & Threats

There exists excellent growth potential for the segment magnet industry due to continuous demand on the auto sector. With rise in car sales, entry of high end models in the Indian market and setting up of new manufacturing facilities by world auto biggies in India, the demand for motor magnets is likely to go up drastically. The aspiration of every middle class family to own a motor cycle / scooter shall continue to give good impetus to this sector. Overall, there exists an excellent opportunity for the domestic magnet manufacturers.

The threat from China can never be over looked. With their low cost and improving quality, the Chinese ferrite industry will continue to keep their Indian counter parts on their toes, on this there is no doubt.

Product - wise performance

Income from operations has marginally gone down compared to last year, because of slump in auto industry during October 2008 to March 2009. There has been some revival in the demand situation from April onwards. The Financial year 2008 - 2009 witnessed an unprecedented rise in input cost viz. steel, ferric oxide (Raw Material), LPG etc. Your company could withstand this rise in input costs and drop in demand purely due to low overheads and strict control of costs. The year ahead looks promising. As we are not in to exports, we hope not to be affected by recession in Europe and America.

Outlook

The Company is taking necessary steps to convert the ring magnet producing equipment suitable for production of segment magnet. The company is also investing in new moulds and grinding facilities. Hence, by next two to three years time the Company aims at capturing 50% of domestic market share. Pressure on sale price shall continue to be there with China breathing down the neck. Your company aims to further improve internal controls, efficiencies and yield to face the price threat.

Risks and Concerns

The present recession has hit hard the auto industries in USA and Europe leading to drastic reduction in production of cars and commercial vehicles. China, which is a major exporter to these countries, shall push hard to recover lost sales by tapping Indian and other emerging markets. The threat of reduction in prices by China looms large.

Development of new products and reduction in costs are the two strategies Company will follow to face this situation.

Internal control systems and their adequacy

An integrated oracle based system is in place to check proper flow of documents and adherence to laid down procedures. Company is ISO 9001-2000 certified.

Financial and operational performance

Considering global adverse impact in auto sector, the sale of segment magnets registered a de-growth of 2% only in the Financial Year 2008-09.

The interest cost has increased to Rs.0.53 lacs against Rs.0.28 lacs in last year due to utilization of bank loan limit.

The working capital level has increased due to increase in finished goods stock and debtors. Most of the customers defaulted in payments leading to rise in debtors. Strict monitoring of material dispatch and collection is being done to bring down the debtors level which stood at Rs. 162 lacs as on 31st March, 2009.

The Company invested Rs.101 lacs in plant & machinery for enhancing segment production.

Human Resources and Industrial Relation

The Industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

Cautionary Statement

The statements made above may be construed as forward looking statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

CORPORATE GOVERNANCE

Company's Philosophy on the Code of Governance

The Company's philosophy on Corporate Governance is to enhance the shareholders value with the help of better and accountable corporate practices, professional approach and greater transparency in its operations.

Board of Directors

The Composition of the Board of Directors provides a combination of specialisation, professionalism and experience related to in any manufacturing industry, thereby enhancing the value of shareholders.

Composition of the Board

The Board of Directors comprises of only one Executive and Six Non-Executive Directors. The Chairman is a Non-Executive Promoter Director and four Directors are Independent. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges, which stipulates that 50 per cent of the Board should comprise of Non-Executive Directors, and if the Chairman is Non-Executive & Promoter Director, at least one-half of the Board should be Independent.

Board Meetings held during the year

Five Board Meetings were held during the twelve months period ended 31st March 2009. Those were held on 18th June, 2008, 30th July, 2008, 29th September, 2008, 23rd October, 2008 and 29th January, 2009. The maximum gap between two Board Meetings was less than four months. The current composition of the Board of Directors as on date and attendance of the Directors at the Board Meetings and Annual General Meeting (AGM) as well as their directorship/membership in committees of public companies and private companies which are subsidiaries of public companies as on 31st March, 2009, is as follows:

(Other directorships do not include alternate directorships, directorships of private limited companies, unlimited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees of other public companies including private companies which are subsidiaries of public companies. None of the directors is a member in more than ten committees nor chairman of more than five committees in which he/she is a Director.)

Name of the Director	Category	Number of Board Meetings during the year 2008-2009		Whether attended the last AGM held on 29.09.08	Number of Directorships in other companies		Number of Committee positions held in other companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	5	5	Yes	6	4	2	-
Ms. Urvi Piramal	Non-Executive	5	5	No	5	-	1	1
Mr. Ashish* Kapadia	Non-Executive, Independent	5	1	No	-	4	-	1
Capt. Ratnakar** Barick	Whole-Time Director	5	1	No	-	-	-	-
Mr. Javed Tapia	Non-Executive, Independent	5	5	No	-	2	-	-
Mr. Mahesh Gupta***	Non-Executive, Independent	5	2	No	1	11	2	4
Mr. Rajesh Jaggi****	Non-Executive, Independent	5	-	No	1	11	-	1

*Mr. Ashish Kapadia was appointed as Additional Director of the Company w. e. f. 23rd October, 2008.

**Capt. Ratanakar Barick was appointed as Additional Director and whole-time Director of the Company w.e.f. 23rd October, 2008.

***Mr. Mahesh Gupta was appointed as Additional Director of the Company w.e.f. 29th September, 2008.

****Mr. Rajesh Jaggi was appointed as Additional Director of the Company w.e.f. 29th June, 2009.

Committees of the Board

A. Audit Committee

The Audit Committee of the Company as on date comprises of three members i.e. Mr. Mahesh Gupta, Mr. Javed Tapia. and Mr. Rajesh Jaggi. The constitution of the Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchanges.

The Chairman of the Committee is Mr. Mahesh Gupta, who is an Independent Director. The Audit Committee was re-constituted on 29th September, 2008 and 29th June, 2009. Mr. Jaydev Mody was ceased to be a member of the Committee with effect from 30th June, 2009. The Secretary of the Company acts as the Secretary to the Committee.

The terms of reference of the Audit Committee includes the matters specified in Clause 49(II) of the Listing Agreement entered with the Stock Exchanges. The Committee acts as a link between the Statutory/Internal Auditors and the Board of Directors of the Company.

Three meetings of the Audit Committee were held during the financial year ended 31st March, 2009. The meeting of the Audit Committee were held on 29th July, 2008, 23rd October, 2008 and 29th January, 2009, the same were attended by all members of the Committee.

B. Remuneration Committee

The Remuneration Committee as on date comprises of three members i.e Mr. Jaydev Mody, Mr. Javed Tapia and Mr. Ashish Kapadia. All of them are Non-Executive Directors. The Chairman of the Committee is Mr. Javed Tapia, who is a Non-Executive and Independent Director. The Remuneration Committee was re-constituted during the year.

The terms of reference of the Remuneration Committee includes review, recommendations on annual salaries, performance linked bonus, perquisites and other conditions for Executive Directors. The Committee takes into consideration job requirements, individual profile and remuneration practices followed in industry while determining the overall remuneration policy of the Company.

The Secretary of the Company acts as the Secretary to the Committee. During the financial year ended 31st March, 2009, one meetings of the Remuneration Committee was held on 23rd October, 2008.

The Company has appointed Capt. Ratnakar Barick as Whole-Time Director by way of appointment letter. As per the said appointment letter, Capt. Ratnakar Barick is required to give notice of 90 days for cessation of service and accordingly severance fees shall be paid as per terms and conditions of the appointment letter.

The Company does not have any Employee Stock Option Scheme.

Details of remuneration to the Directors for the year ended 31st March, 2009 are as follow:

Director	Relationship with other Directors	Sitting Fees *(Rs.)	Salary & Perquisites (Rs.)	Performance Linked Bonus (Rs.)	Total (Rs.)
Mr. Jaydev Mody	Brother of Ms. Urvi Piralal	16,000	-	-	-
Ms. Urvi Piralal	Sister of Mr. Jaydev Mody	10,000	-	-	-
Mr. Ashish Kapadia	None	2,000	-	-	-
Capt. Ratnakar Barick	None	-	8,05,000	-	8,05,000
Mr. Javed Tapia	None	16,000	-	-	-
Mr. Mahesh Gupta	None	8,000	-	-	-
Mr. Rajesh Jaggi**	None	-	-	-	-

* includes sitting fees for Audit Committee Meetings.

** Mr. Rajesh Jaggi was appointed as an Additional Director of the Company w.e.f. 29th June, 2009.

During the financial year ended 31st March, 2009 except payment of sitting fees to the Non – Executive Directors, the Company does not have any pecuniary relationship or transactions with the Non – Executive Directors.

Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) are given below:

Name of Director	No. of shares held
Mr. Jaydev Mody	1125
Ms. Urvi Piramal	0
Mr. Ashish Kapadia	0
Capt. Ratnakar Barick	0
Mr. Javed Tapia	0
Mr. Mahesh Gupta	104
Mr. Rajesh Jaggi	0

C. Share Transfer and Investors Grievance Committee

The Share Transfer and Investors Grievance Committee as on date comprises of three members i.e. Mr. Jaydev Mody, Mr. Ashish Kapadia and Capt. Ratnakar Barick. The Chairman of the Committee is Mr. Jaydev Mody. The Committee was reconstituted during the year. Mr. Dhrumil Shah, Company Secretary, is the Compliance Officer.

Share transfer / transmissions / dematerialisation / rematerialisation / split / issue of duplicate share certificates etc. approved by the Committee are placed before the Board of Directors from time to time. The Committee also has the power to redress investors grievances received from time to time.

The Company has paid the listing fees to all the Stock Exchanges till 31st March, 2009.

During the financial year under review, the Company received 1 complaint and the same was duly resolved. No investor complaint was pending as at the end of the financial year.

Details of General Body Meeting

a) Location, date and time of General Meetings held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2005-06	Walchand Hirachand Hall, Indian Merchants' Chamber Building, Churchgate, Mumbai-400020, Maharashtra.	23rd Aug., 2006	Wednesday	11.00 a.m.	-
2006-07	Walchand Hirachand Hall, Indian Merchants' Chamber Building, Churchgate, Mumbai-400020, Maharashtra.	21st Sept., 2007	Friday	11.00 a.m.	-
2007-08	Ping Pong Hall, Club Peninsula, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai-400 013, Maharashtra.	29th Sept., 2008	Monday	2.00 p.m.	1

During the last year, no resolution was passed through postal ballot. At present, there is no proposal to pass any resolution through postal ballot.

Disclosures

a) During the financial year 2008-2009, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

The Register of Contracts detailing the transactions, in which the Directors are interested, is placed before the Board /Audit Committee regularly. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.

- b) The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures pass on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above.
- c) The Company has adopted a Code of Conduct for its Directors and Senior Management Employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website.
- d) The Company as on 31st March, 2009 compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement. As far as non - mandatory requirements are concerned, the Company has constituted the Remuneration Committee. The financial statements of the Company are unqualified. The Company has not adopted other non - mandatory requirements.

Means of Communication

Financial Results

Quarterly and Annual Financial Results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in following newspapers:

- The Free press Journal (English)
- Navshkti (Marathi)

The Management Discussion & Analysis Report forms part of this Annual Report.

General Shareholder Information

Annual General Meeting

Date and Time : Tuesday, the 29th day of September, 2009, at 2.30 p.m.
Venue : Ping Pong Hall, Club Peninsula, Peninsula Corporate Park,
Ganpat Rao Kadam Marg, Lower Parel, Mumbai-400 013, Maharashtra.

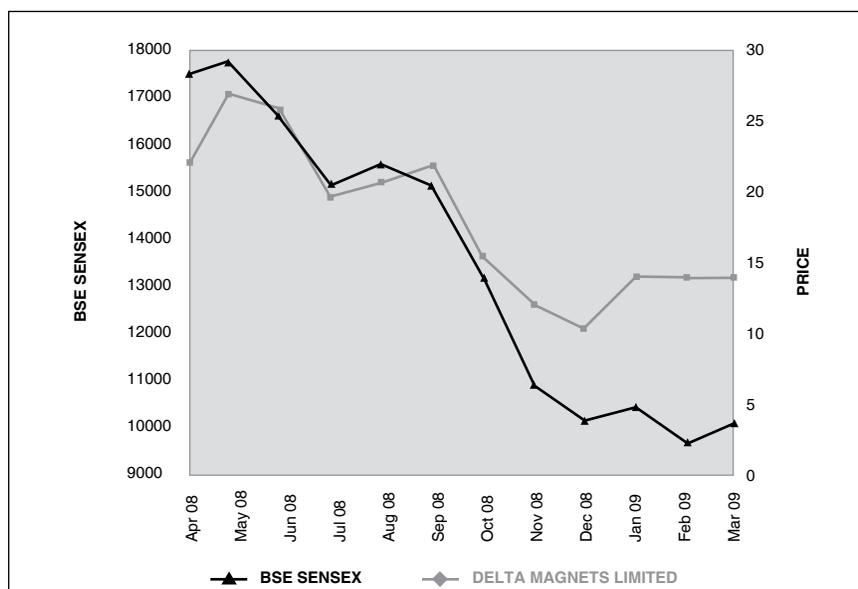
As required under Clause 49 (IV) (G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 29th September, 2009

Financial Year : 1st April, 2009 to 31st March, 2010
Financial reporting for the quarter ending (tentative and subject to change)
30th June, 2009 : By 31st July, 2009
30th September, 2009 : By 31st October, 2009
31st December, 2009 : By 31st January, 2010
Year ending 31st March, 2010 : Latest by 30th June, 2010
Annual General Meeting for the year ending 31st March, 2010 : By September, 2010
Dates of Book Closure : Wednesday, the 23rd day of September, 2009
to Tuesday, the 29th day of September, 2009. (both days inclusive)
Dividend payment date : N.A.
Stock Exchange where Company's Shares are listed : Bombay Stock Exchange Limited
Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001, Maharashtra.
Scrip Code: 504286
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051, Maharashtra.
Scrip Symbol: DELTAMAGNT

Stock Market Price data: High/Low during each months for the financial year ended 31st March, 2009

Months	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	22.00	16.40	20.40	16.00
May 2008	26.75	18.00	26.25	21.70
June 2008	25.65	17.75	23.10	20.85
July 2008	19.70	14.55	16.40	15.60
August 2008	20.65	15.45	20.00	17.75
September 2008	21.80	14.75	19.00	16.80
October 2008	15.39	12.64	13.35	13.35
November 2008	12.01	9.95	13.35	12.00
December 2008	10.40	8.95	10.00	09.70
January 2009	14.00	10.70	12.80	10.50
February 2009	-	-	-	-
March 2009	13.97	12.60	12.00	11.90

Stock performance v/s BSE SENSEX



Registrars and Share Transfer Agents

Freedom Registry Limited

(Formerly Amtrac Management Services Limited)

Plot No. 101 / 102, MIDC,
19th Street, Satpur,
Nasik - 422 007, Maharashtra.

Tel: (0253) 2354032, 2363372

Fax: (0253) 2351126

Email: amtrac_nsk@sancharnet.in

Share Transfer Process

Shares in physical form are processed by the Registrars and Share transfer agent within 15 days from the date of receipt, if the documents are complete in all respects. Chairman and Company Secretary have been severally empowered to approve transfers. The same are ratified by the Share Transfer and Investors Grievances Committee.

Distribution of Equity Shareholding according to Numbers as at 31st March, 2009

Slab of shareholdings	Shareholders	%	No. of Shares	%
1 to 5,000	4457	98.98	1227101	25.24
5,001 to 10,000	27	0.60	190305	3.92
10,001 to 20,000	10	0.22	156632	3.22
20,001 to 30,000	3	0.07	82779	1.70
30,001 to 40,000	0	0.00	0	0.00
40,001 to 50,000	1	0.02	44552	0.92
50,001 to 1,00,000	2	0.04	146975	3.02
Above 1,00,000	3	0.07	3012519	61.98
TOTAL	4503	100.00	4860863	100.00

Distribution of Equity Shareholding according to categories of shareholders as at 31st March, 2009

SR. NO.	CATEGORY OF SHAREHOLDER	NUMBER OF SHARE HOLDERS	NUMBER OF SHARES	%
(A)	Shareholding of Promoter and Promoter Group	7	3019062	62.11
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/UTI	5	7375	0.15
(b)	Financial Institutions / Banks	3	2275	0.05
(c)	Insurance Companies	-	-	-
(d)	Foreign Institutional Investors	-	-	-
2	Non-Institutions			
(a)	Bodies Corporate	92	245478	5.05
(b)	Individuals			
	(i) holding nominal share capital up to Rs. 1 lakh	4384	1332213	27.40
	(ii) holding nominal share capital in excess of Rs. 1 lakh	12	254460	4.48
	Total Public Shareholding	4496	1841801	37.89
	TOTAL	4503	4860863	100

Dematerialization of shares and liquidity

As on 31st March, 2009, 44,78,278 Equity Shares (92.13% of the total number of shares) are in dematerialized form as compared to 44,72,031 Equity Shares (92.00% of the total number of shares) as on 31st March, 2008.

Outstanding GDRs/ ADRs / Warrants or any convertible instruments

The Company has not issued any GDR's/ADR's or any convertible instruments.

Plant Location

Delta Magnets Limited,
B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.

Investor Correspondence

Shareholders can contact the following Official for Secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
Mr. Dhruvil Shah Company Secretary & Compliance Officer	16/A, Ali Chambers, 2nd Floor, Nagindas Master Road, Fort, Mumbai-400 001, Maharashtra.	(022) 40794794/ (022) 40794777	secretarial@jmggroup.in

DECLARATION

I, Ratnakar Barick, Whole Time Director of Delta Magnets Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31st March, 2009.

For Delta Magnets Limited

Capt. Ratnakar Barick
Whole-Time Director

Date : 28th July, 2009.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Delta Magnets Limited
(Formerly known as G.P. Electronics Limited)

We have examined the compliance of conditions of Corporate Governance by Delta Magnets Limited (Formerly known as G.P. Electronics Limited) ["The Company"] for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement except with regard to Clause 49ID (Posting of the code of conduct on Company's website), and 49IIA (Constitution of the Audit Committee) of the Listing Agreement during some period of the financial year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, Hitesh Buch Associates
Company Secretaries

Hitesh Buch
Proprietor
CP No. 8195

Place: Ahmedabad
Date: 28th July, 2009.

**AUDITORS' REPORT TO THE MEMBERS OF
DELTA MAGNETS LIMITED**

We have audited the attached Balance Sheet of Delta Magnets Limited (earlier known as G.P. Electronics Limited) as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors' Report) Order, 2003 and amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act.
 - e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, give the information required by the Act, in the manner so required, read together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii) in case of the Profit & Loss Account, of the loss of the Company for the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Amit Desai & Co
Chartered Accountants**

**(Amit Desai)
Proprietor**

Mumbai, 29th June, 2009

**ANNEXURE TO AUDITORS' REPORT TO THE MEMBERS OF
DELTA MAGNETS LIMITED**

(REFERRED TO IN PARAGRAPH I OUR REPORT OF EVEN DATE)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a policy to carry out a physical verification of fixed assets in a phased manner at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of fixed assets during the period and the going concern status of the Company is not affected.
- (ii) (a) The management carried out physical verification of the inventory at reasonable intervals during the year.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company maintains proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, we report that :
 - (a) The company has granted loan to one party covered in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loan, the maximum amount involved during the year was Rs. 2,44,72,370/- and the year end balance was Rs.1,17,26,643/-.
 - (b) In our opinion, the rate of interest and other terms and conditions of the above loan given is not prima-facie prejudicial to the interest of the company.
 - (c) Since there is no stipulation as to the time period for the repayment of the principal amount and interest of the unsecured loan given, we are unable to comment on the regularity of the repayment of the same.
 - (d) According to information and explanations given to us, the Company has not taken unsecured loans from any party covered in the register maintained under section 301 of the Act. Consequently, the requirements of Clauses (iii) (d), (iii) (e), (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangement referred to in section 301 of the Act, have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, there are no such transactions made in pursuance of such contracts or arrangements and which exceeds the value of Rs. Five Lacs.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under are applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Act.

- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to it during the period with the appropriate authorities and there were no such outstanding dues as at 31st March, 2009 for a period exceeding six months from the date they became payable.
- (b) According to the records of the Company, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute, are as follows:

Sr. No.	Name of the statute	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty and Service Tax	15,56,101	F.Y. 1997-98 to 1999-00	Appellant Commissioner Excise
2	Finance Act, 1994	Service Tax	28,26,095	F.Y 1998-99 to 01-02	Commissioner of Excise
3	Income Tax Act, 1961	Income Tax	23,29,859	A.Y 1990-91, 1994-95 and 1995-96	Income Tax Appellant Tribunal
TOTAL			67,12,055		

- (x) The Company has accumulated losses which exceed 50% of its net worth at the end of the financial year under reporting and has not incurred cash losses during the year and immediately preceding financial year.
- (xi) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Bank or any Financial Institution.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) relating to applicability of provisions for special statute applicable to Chit Fund, or relating to Nidhi, Mutual Benefit Funds/Societies, is not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Since the Company has not obtained any term loans during the year, the requirements of Clauses (xvi) of paragraph 4 of the Order are not applicable
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not, prima facie, used short term funds for long term purposes or vice versa.
- (xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the period.
- (xx) The Company has not raised any monies by way of public issue during the period.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the period.

For Amit Desai & Co
Chartered Accountants
(Amit Desai)
Proprietor

Mumbai, 29th June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at March 31, 2009	(Rupees in '000) As at March 31, 2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	48,608.63	48,608.63
Reserves and Surplus	II (A)	212,448.53	80,035.70
Loan Funds			
Secured Loans	III	1,611.55	919.96
Unsecured Loans	IV	1,919.16	2,689.42
	TOTAL	264,587.87	132,253.71
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	444,135.20	300,936.88
Less: Depreciation		269,203.91	256,964.09
Net Block		174,931.29	43,972.79
Capital Work in Process		664.14	1,016.29
		175,595.43	44,989.08
Current Assets, Loans and Advances			
Inventories	VI	12,706.68	9,870.31
Sundry Debtors		16,213.18	14,933.31
Cash and Bank Balances		3,215.49	4,526.53
Other Current Assets		96.49	210.29
Loans and Advances		21,582.52	32,385.32
		53,814.36	61,925.76
Current Liabilities and Provisions			
Liabilities	VII	14,386.30	11,338.34
Provisions		429.19	1,977.74
		14,815.49	13,316.08
Net Current Assets		38,998.87	48,609.68
Profit & Loss Account	II(B)	49,993.59	38,654.96
Significant Accounting Policies and Notes forming Part of the Accounts			
	XIII		
	TOTAL	264,587.87	132,253.71

As per Our Report of Even Date

For Amit Desai & Co
Chartered Accountants

(Amit Desai)
Proprietor
M. No. F-32926
Mumbai: 29th June, 2009

For Delta Magnets Limited

Jaydev Mody Director
Mahesh Gupta Director
Capt. Ratnakar Barick Whole Time Director
Ashish Kapadia Director
Dhrumil Shah
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended March 31, 2009	(Rupees in '000) Year ended March 31, 2008
INCOME			
Gross Sales		84,460.09	89,109.80
Less: Excise Duty		9,933.73	12,890.79
Net Sales		74,526.36	76,219.01
Increase/ (Decrease) in Stock of Finished Goods & Process Stocks	VIII	2,059.73	(3,222.52)
Other Income	IX	3,639.83	7,731.30
		<u>80,225.92</u>	<u>80,727.79</u>
EXPENDITURE			
Materials Consumed	X	9,794.06	9,604.67
Manufacturing and Other Expenses	XI	52,425.34	49,024.52
Staff Costs	XII	16,981.59	17,537.43
		<u>79,200.99</u>	<u>76,166.62</u>
Profit/(Loss) Before Interest, Depreciation and Tax		1,024.93	4,561.18
Finance Charges		52.51	28.22
Depreciation	V	12,502.05	15,669.69
Profit/(Loss) Before Tax		(11,529.62)	(11,136.74)
Prior Period Items		(1,071.97)	-
		<u>(12,601.59)</u>	<u>(11,136.74)</u>
Provision for Taxation			
Fringe Benefit Tax		(77.80)	(70.71)
Excess Provision of Earlier Year's Written Back		25.00	-
Deferred Tax		-	12,850.00
Profit/(Loss) After Tax		<u>(12,654.40)</u>	<u>1,642.55</u>
Balance Brought Forward		(76,414.39)	(78,056.94)
Balance Carried Forward		<u>(89,068.78)</u>	<u>(76,414.39)</u>
Earning per Share Basic and Diluted (Rs.) (Face Value of Rs.10/-)		(2.60)	0.34
Significant Accounting Policies and Notes Forming Part of the Accounts	XIII		

As per Our Report of Even Date

For Amit Desai & Co
Chartered Accountants(Amit Desai)
Proprietor
M. No. F-32926
Mumbai: 29th June, 2009

For Delta Magnets Limited

Jaydev Mody Director
Mahesh Gupta Director
Capt. Ratnakar Barick Whole Time Director
Ashish Kapadia DirectorDhrumil Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	(Amount in '000)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
A. Cash flow from Operating Activities		
Net Profit/(Loss) before Tax and Extraordinary items	(11,529.62)	(11,136.74)
Adjustment for:-		
Depreciation	12,502.05	15,669.69
Loss / Profit on Sale of Assets	(23.73)	42.15
Interest Paid	52.51	28.22
Interest Income	(2,054.21)	(3,464.46)
Operating Profit Before Working Capital Changes	10,476.62	12,275.61
Adjustment for:	(1,053.01)	1,138.87
Trade and Other Receivables	(1,279.87)	(4,378.89)
Inventories	(2,836.37)	3,906.40
Loans & Advances	11,505.44	(2,721.55)
Trade Payables	707.79	2,388.38
Taxes Paid	(588.84)	(865.36)
Other Liabilities	982.63	1,876.56
NET CASH FLOW FROM OPERATING ACTIVITIES	7,437.77	1,344.41
B. Cash flow from Investing Activities		
Purchase of Fixed Assets , Capital Work in Progress	(10,728.84)	(6,929.42)
Sale of Fixed Assets	57.00	145.00
Interest income	2,054.21	3,464.46
NET CASH USED IN INVESTING ACTIVITIES	(8,617.63)	(3,319.96)
C. Cash Flow from Financing Activities		
Interest Paid	(52.51)	(28.22)
Proceeding From Short Term Borrowing	691.59	919.97
Proceeding From Long Term Borrowing	(770.26)	(692.95)
NET CASH USED IN FINANCING ACTIVITIES	(131.18)	198.81
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,311.04)	(1,776.75)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	4,526.53	6,303.28
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	3,215.49	4,526.53

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.
- 2) Previous year's figures have been regrouped or rearranged wherever necessary to confirm the current year's classification.

As per Our Report of Even Date

For Amit Desai & Co
Chartered Accountants

(Amit Desai)
Proprietor
M. No. F-32926
Mumbai: 29th June, 2009

For Delta Magnets Limited

Jaydev Mody Director
Mahesh Gupta Director
Capt. Ratnakar Barick Whole Time Director
Ashish Kapadia Director
Dhruvil Shah
Company Secretary

**SCHEDULE FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2009**

	As at March 31, 2009	(Rupees in '000) As at March 31, 2008
SCHEDULE I		
Share Capital:		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	50,000.00	50,000.00
50,00,000 Unclassified Shares of Rs.10/- each	50,000.00	50,000.00
TOTAL	100,000.00	100,000.00
Issued, Subscribed and Paid up		
48,60,863 Equity Shares of Rs.10/- each fully paid up	48,608.63	48,608.63
TOTAL	48,608.63	48,608.63
SCHEDULE II (A)		
Reserves And Surplus		
Capital Reserve	3,504.25	3,504.25
Share Premium Account	76,531.45	76,531.45
Revaluation Reserve	132,412.83	-
TOTAL	212,448.53	80,035.70
SCHEDULE II (B)		
Debit Balance in Profit & Loss Account		
Profit and Loss Account Opening Balance	76,414.39	78,056.94
Add (Profit)/ Loss During the Year	12,654.40	(1,642.55)
	89,068.78	76,414.39
Less :General Reserve (as per last Balance Sheet)	(37,759.44)	(39,075.19)
Charges on account of Transitional Provisions under Accounting Standard -15 (Revised)	-	1,315.76
Reversal of Transitional Provisions	(1,315.76)	-
TOTAL	(39,075.20)	(37,759.43)
TOTAL	49,993.59	38,654.96
SCHEDULE III		
Loan from a Bank		
Cash Credit (Secured against Fixed Deposit Receipt of Rs.3000 thousands)	1,611.55	919.96
TOTAL	1,611.55	919.96
SCHEDULE IV		
Unsecured Loans		
Sales Tax Deferral Loan (Repayable with in next year Rs 812 thousands. Paid during the year Rs 770.26 thousands)	1,919.16	2,689.42
TOTAL	1,919.16	2,689.42

SCHEDULE V
Fixed Assets / Depreciation

(Rupees in '000)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2008	Addition on Revaluation	Additions	Deduction	As at 31.03.2009	As at 01.04.2008	Additions	Deduction	As at 31.03.2009	As at 31.03.2008
Land	520.13	114,037.87	-	-	114,558.00	-	-	-	114,558.00	520.13
Buldings	26,925.19	18,374.97	-	-	45,300.16	12,129.46	857.82	-	12,987.28	14,795.73
Plant & Machinery	258,566.80	-	9,946.77	-	268,513.57	233,023.24	11,086.03	-	244,109.27	25,543.56
Equipments	10,367.16	-	118.47	-	10,485.62	8,110.21	357.21	-	8,467.42	2,256.95
Furniture and Fixtures	3,650.83	-	-	-	3,650.83	3,210.42	111.10	-	3,321.52	440.41
Vehicles	906.77	-	1,015.73	295.49	1,627.01	490.76	89.89	262.22	318.43	416.01
T O T A L	300,936.88	132,412.84	11,080.98	295.49	444,135.20	256,964.09	12,502.05	262.22	269,203.91	43,972.79
Previous Year	294,798.58	-	6,923.20	784.90	300,936.88	241,892.15	15,669.69	597.75	256,964.09	52,906.43

	As at March 31, 2009	(Rupees in '000) As at March 31, 2008
SCHEDULE VI		
Current Assets, Loans And Advances		
Inventories		
(As taken, valued and certified by the Management)		
Raw Materials	934.78	837.43
Work - in-Progress	4,222.32	4,403.64
Finished Goods	3,055.72	814.67
Stores, Spares, Consumables and Packing Materials	4,462.62	3,783.33
Loose Tools	31.24	31.23
	<u>12,706.68</u>	<u>9,870.31</u>
Sundry Debtors		
(Unsecured, Considered Good Unless Otherwise Stated)		
Over Six Months - Considered Good	-	151.66
Over Six Months - Considered Doubtful	289.18	289.18
Less : Provision for Doubtful Debts	(289.18)	(289.18)
Others	16,213.18	14,781.65
	<u>16,213.18</u>	<u>14,933.31</u>
Cash and Bank Balances		
Cash on hand	24.63	42.41
With Scheduled Banks		
In Current Accounts	190.87	143.36
In Deposit Accounts	3,000.00	4,265.36
Unclaimed Dividend Account	-	75.41
	<u>3,215.49</u>	<u>4,526.53</u>
Other Current Assets		
Interest receivable	96.49	210.29
Loans And Advances		
Inter Corporate Deposit	13,344.81	24,472.37
Advances Recoverable in Cash or in Kind or for Value to be Received	2,585.17	2,274.18
Advance Tax (Net of Provision)	2,946.61	2,903.40
Deposits		
With Public Bodies	2,650.93	2,730.38
With Others	55.00	5.00
	<u>21,679.01</u>	<u>32,595.62</u>
TOTAL	<u>53,814.36</u>	<u>61,925.75</u>

	As at March 31, 2009	(Rupees in '000) As at March 31, 2008
SCHEDULE VII		
Current Liabilities And Provisions		
Current Liabilities		
Sundry Creditors	7,017.12	6,309.33
Advance Received from Customers	4,181.55	2,200.00
Un Claimed Dividends	-	75.41
Other Liabilities	3,187.63	2,753.60
	14,386.30	11,338.34
Provisions	429.19	1,977.74
TOTAL	14,815.50	13,316.08

**SCHEDULE FORMING PART OF THE
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended March 31, 2009	(Rupees in '000) Year ended March 31, 2008
SCHEDULE VIII		
Increase / (Decrease) in Stock of Finished Goods and Work - in - Progress		
Stocks At the End		
Finished Goods	3055.72	814.67
Work-in-Progress	4222.32	4,403.64
	<u>7,278.04</u>	<u>5,218.31</u>
Stocks At the Beginning		
Finished Goods	814.67	4,891.92
Work-in-Progress	4,403.64	3,548.91
	<u>5,218.31</u>	<u>8,440.83</u>
Increase/(Decrease) in Finished Goods and WIP	<u>2,059.73</u>	<u>(3,222.52)</u>
SCHEDULE IX		
Other Income		
Interest (TDS Rs 436 thousands P.Y. Rs.710 thousands)	2,054.21	3,464.46
Sale of Scrap	786.63	750.86
Miscellaneous	798.99	2,830.71
Provision for Doubtful Debts Reversed	-	685.27
TOTAL	<u>3,639.83</u>	<u>7,731.30</u>
SCHEDULE X		
Materials Consumed		
Opening Stocks	837.43	1,621.76
Add : Purchases and Expenses	9,891.41	8,820.33
	<u>10,728.84</u>	<u>10,442.10</u>
Less : Closing Stocks	934.78	837.43
TOTAL	<u>9,794.06</u>	<u>9,604.67</u>

	Year ended March 31, 2009	(Rupees in '000) Year ended March 31, 2008
SCHEDULE XI		
Manufacturing and Other Expenses		
Consumption of Stores, Spares, Consumables, Packing Materials etc.	13,857.04	13,276.95
Power and Fuel	30,509.72	27,428.39
Rates, Taxes and Water Charges	390.05	583.91
Rent	240.00	50.00
Repairs and Maintenance		
- Plant & Machinery	1755.00	149.21
- Building	28.35	78.51
- Others	241.62	781.22
	2,024.96	1,008.94
Excise Duty	2.73	-
Insurance	177.06	290.62
Travelling Expenses	525.78	433.38
Freight Charges	2,328.27	2,309.32
Directors' Sitting Fees	48.00	62.00
Miscellaneous Expenses	1,469.93	1,952.96
Remuneration to Auditors		
-Audit Fees	75.00	84.72
-Tax Audit Fees	25.00	22.47
-Certification Fees	32.79	29.61
	132.79	136.80
Legal & Professional Expenses	378.53	1,168.89
Cash Discount	125.29	175.73
Bank Charges	215.19	104.48
Loss on Sale of Assets	-	42.15
TOTAL	52,425.34	49,024.52
SCHEDULE XII		
Staff Costs		
Salaries, Wages and Bonus	15,444.50	16,320.92
Contribution to Provident and Other Funds	1,537.09	1,216.51
TOTAL	16,981.59	17,537.43

SCHEDULE TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE XIII - NOTES TO ACCOUNT

A) SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), the Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and the applicable relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian Rupees rounded off to the nearest thousand.

b. Revenue Recognition

Income from sale of goods is recognized upon transfer of significant risk and reward of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Interest income is recognized on accrual basis.

c. Fixed Assets

All fixed assets are stated at cost of acquisition, less accumulated depreciation. In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings and other related expenses upto the date of commercial production incurred towards acquiring fixed assets are capitalized. Financing costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready to be put to use.

d. Depreciation

Depreciation on fixed assets is provided as per the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

e. Retirement Benefits

The Company's contributions in respect of provident fund are charged against revenue every year. In respect of gratuity, the Company's contribution to the Group Insurance Scheme of Life Insurance Corporation of India is charged against the revenue. Provision for leave encashment and gratuity is determined on the basis of actuarial valuation.

f. Inventories

Raw Materials, Stores, Spares, Consumables, Packing Material and Work-in-Progress are valued at cost. Cost is ascertained on weighted average basis. WIP is valued at direct cost plus allocated overheads at appropriate stages. Finished Goods are valued at lower of cost or net realizable value. In accordance with Accounting Standard 2 issued by the Institute of Chartered Accountants of India, provision is made for excise duty on closing stock of finished goods.

g. Impairment of Assets

The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable, as provided in Accounting Standard 28, "Impairment of Assets".

h. Taxes on Income

Income tax is accounted in accordance with Accounting Standard -22 ' Accounting for taxes on income', issued by the Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available. Provision for fringe benefit tax is made in accordance with the provision of The Income-tax Act, 1961.

i. Contingent Liabilities and Provisions

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

j. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies, if any at year end are restated at the year end rate. Any gain or loss on account of exchange difference either on settlement or on translation is recognized in the profit & loss account.

B) NOTES TO THE ACCOUNTS

1. Contingent Liabilities

- a. Guarantees and counter guarantees given by the Company to the Bankers against guarantees issued by them on behalf of the Company Rs. Nil (Previous year Rs. 27.02 lacs).
- b. Disputed (net) demands for Income tax pending with various appellate authorities Rs. 23.30 lacs (Previous year Rs. 23.30 Lacs).
- c. Disputed excise demands Rs. 15.56 lacs (Previous year Rs. 15.56 lacs).
- d. Disputed service tax demand Rs. 28.26 Lacs (Previous years Rs. 28.26 Lacs)
- e. Disputed demand raised by DGFT Rs. 20.00 lacs (Previous year Rs 20.00 lacs)
- f. Differential amount of wage revision as per charter of demand made by workers, amount presently unascertainable.

2. During the year the Company has deposited unclaimed dividend of Rs. 0.75 Lac to Investor Protection Fund.

3. Value of direct Imports on C.I.F. Basis

		2008-09	2007-08
		(Rs. Lacs)	(Rs. Lacs)
i	Raw Materials	44.24	39.47
ii	Capital Goods	7.46	20.46
iii	Stores, Spares and Components	7.75	17.95

4. Consumption of Raw Materials

Description	2008-09		2007-08	
	Qty-Mt	Rs. Lacs	Qty-Mt	Rs. Lacs
Ferric Oxide	191.30	10.63	201.17	7.88
Special Ferric Oxide	711.04	21.96	568.86	23.59
Strontium Carbonate	142.61	51.07	126.87	49.81
Others	-	14.28	-	14.77
TOTAL		97.94		96.05

5. Disclosure of Sundry Creditors under Current Liability is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount overdue as on 31st March 2009, to Micro, Small and Medium Enterprises on account of principle amount together with interest, aggregate to Rs. Nil.
6. The Company is engaged manufacture of hard ferrite magnet, which as per Accounting Standard 17, is considered the only reportable segment. The geographical segment is not relevant as there are no exports.
7. During the year name of the company has been changed from G. P. Electronics Limited to Delta Magnets Limited.
8. Details of Managerial Remuneration (To Executive Director) :

(Rupees in Lacs)

Sr. No	Particulars	2008-09	2007-08
i.	Salaries	7.57	-
ii.	Contribution to Provident and Superannuation fund	0.48	-
iii.	Commission to Managing Director	-	-
	TOTAL	8.05	-

The above figure from the date of appointment i.e 23-10-2008 of the executive director.

Managerial Remuneration excludes provision for gratuity and leave encashment / availment.

9. Value of imported and indigenous Raw Material, Stores, and Spares consumed.

(Figures in bracket pertain to previous year)

	Imported		Indigenous		Total	
	Rs. Lacs	%	Rs. Lacs	%	Rs. Lacs	%
Raw Material	51.07	52.15	46.87	47.85	97.94	100.00
	(40.02)	(41.66)	(55.75)	(58.33)	(96.05)	(100.00)
Stores, Spares and Components	8.38	6.05	130.19	93.95	138.57	100.00
	(20.08)	(15.12)	(112.69)	(84.88)	(132.77)	(100.00)

10. Details of licensed and installed capacity:

(Figures in bracket pertain to previous year) (As certified by the Director)

Product	Licensed Capacity (MT)	Installed Capacity (MT)	Actual Production (MT)
Hard Ferrite	3600	1800	809.43
	(3600)	(1800)	(748.75)

Note: Licensed capacity includes the Industrial Entrepreneur's Memorandum filed with the Government and duly acknowledged under the scheme of de-licensing by the Government.

11. Details of production, turnover, stocks etc during the year.

(Figures in bracket pertain to previous year)

(Units in 000's pcs) (Rupees in Lacs)

	Opening Stock		Closing Stock		Turnover		Qty.
	Qty	Rs.	Qty.	Rs.	Qty	Rs.	
Hard Ferrite	207.85	8.15	686.53	30.56	13,732.32	844.60	14211
	(1073.7)	(48.92)	(207.85)	(8.15)	(13902.86)	(891.10)	(13037)

12. As required by Accounting Standard – AS 18 'Related Party Disclosure' issued by The Institute of Chartered Accountants of India, are as follows:

List of Related Parties with whom transactions have taken place during the year:

a) Key Management Personnel

- Mr. Jaydev Mody - Chairman
- Capt. R Barick - Director (w.e.f 23-10-2008)

b) Enterprises over which Key Management Personnels or their Relatives mentioned in (a) above exercise Significant Influence.

- Delta Corps Limited (Earlier Known as Arrow Webtex Limited)
- Freedom Registry Limited (Earlier Known as Amtrac Management Services Limited)

Details of transactions carried out with Related Parties in the ordinary course of Business (excluding reimbursements):

(Rupees in Lacs)

Particulars	Key Management Personnel		Enterprises Over which Key Management Personnel Exercise Significant Influence		Total	
	2009	2008	2009	2008	2008	2009
Remuneration Paid						
Capt. R Barick	8.05	-	-	-	8.05	-
Rent Paid						
Capt R. Barick	1.06	-	-	-	1.06	-
Expenses						
Freedom Registry Limited	-	-	0.83	-	0.83	-
Loan – Received Back						
Delta Corp Limited	-	-	104.81	-	104.81	-
Loan Granted						
Delta Corp Limited	-	-	-	221.00	-	221.00
Interest Received on ICD's						
Delta Corp Limited	-	-	20.54	1.36	20.54	1.36
Outstanding as on 31st March						
Loan Receivable (incl Interest)						
Delta Corp Limited	-	-	133.44	222.08	133.44	222.08
Expenses Outstanding						
Freedom Registry Limited	-	-	0.14	-	0.14	-

13. Earning per share (Basic and diluted)

(Rupees in Lacs)

Particulars	As on 31.03.2009	As on 31.03.2008
Profit/(Loss) after tax for the year-Rs. Lacs	(126.54)	16.42
Number of Equity Shares	48,60,863	48,60,863
Earning Per Share – Basic & Diluted	(2.60)	0.34

14. Employee Benefits

The Company has adopted Accounting Standard – 15 (revised 2005) for “employee benefit” with effect from 1st April, 2007.

- The Company has recognized the expected liability arising out of the compensated absence and Gratuity as at 31st March, 2009 based on actuarial valuation carried out using the Project Credit Method.
- The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with AS – 15 (revised) pertaining to the Defined Benefit Plan is as given below :

(Rupees in Lacs)

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Non funded)
1	Assumptions :		
	Discount Rate – Previous	8.00%	8.00%
	Salary Escalation – Previous	7.00%	7.00%
	Discount Rate – Current	8.00%	8.00%
	Salary Escalation – Current	5.00%	5.00%
2	Change in Benefit Obligation :		
	Liability at the beginning of the year	35.96	7.85
	Interest Cost	3.01	0.80
	Current Service Cost	2.25	2.25
	Past Service Cost (Non Vested Benefit)	Nil	Nil
	Past Service Cost (Vested Benefit)	Nil	Nil
	Liability Transfer in	Nil	Nil
	Liability Transfer out	Nil	Nil
	Benefit Paid	(1.27)	(0.17)
	Actuarial (Gain) / Loss on obligations	(10.88)	(5.62)
	Liability at the end of the year	29.07	5.11
3	Amount recognized in the Balance Sheet :		
	Liability at the end of the year	29.07	5.11
	Fair value of Plant Assets at the end of the year	29.89	Nil
	Difference	0.82	(5.11)
	Unrecognized Past Service Cost	Nil	Nil
	Unrecognized Transition Liability	Nil	Nil
	Amount recognized in the Balance Sheet	0.82	(5.11)
4	Expenses recognized in the Profit and Loss Account:		
	Current Service Cost	2.25	2.25
	Interest Cost	3.01	0.80
	Expected return on Plant assets	(1.41)	Nil
	Past Service Cost (non-vested benefit) recognized	Nil	Nil
	Past Service Cost (vested benefit) recognized	Nil	Nil
	Recognition of Transition Liability	Nil	Nil
	Actuarial (Gain) or Loss	(11.82)	(5.62)
	Expenses recognized in the Profit and Loss Account	(7.97)	(2.56)
5	Balance Sheet Reconciliation :		
	Liability as on 01.04.08	13.16	6.62
	Expenses as above	(7.97)	(2.56)
	Employer's Contribution	(2.37)	(0.17)
	Excess Provision Written Back	(3.64)	-
	Short Provision of Previous Year now Provided	-	1.23
	Closing Net Liability	(0.82)	5.11

A report from the Actuarial valuer for the pervious year's retirement benefits was obtained after the date of signing the accounts and therefore the effect for the same has been given in prior period items in current year.

15. During the year management has revalued its land and building to its fair value based on the valuation report given by the government approved valuer due to which value of land and building is increased by Rs.1140.38 Lacs and Rs.183.75 Lacs on 31st March, 2009. The surplus arising on revaluation of Rs. 1324.13 Lacs has been credited to revaluation reserve account.
16. The previous years' figures have been re-grouped/re-arranged/reclassified/recast wherever necessary to confirm to this year's classification.

As per Our Report of Even Date

For Amit Desai & Co
Chartered Accountants

(Amit Desai)
Proprietor
M. No. F-32926
Mumbai: 29th June, 2009

For Delta Magnets Limited

Jaydev Mody	Director	
Mahesh Gupta	Director	
Capt. Ratnakar Barick	Whole Time Director	
Ashish Kapadia	Director	Dhrumil Shah Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS:

Registration No.: State Code:
 Balance Sheet Date:
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR: (Amount in Rs. Thousands)

Public Issue: Right Issue:
 Bonus Issue: Private Placement:

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Amount in Rs.Thousands)

Total Liabilities Total Assets :

SOURCE OF FUNDS:

Paid -Up Capital: Reserves & Surplus:
 Equity Share Warrants: Deferred Tax Liability:
 Secured Loans: Unsecured Loans:

APPLICATION OF FUNDS:

Net Fixed Assets: Investment:
 Net Current Assets: Misc. Expenditure:
 Accumulated Losses:

IV. PERFORMANCE OF THE COMPANY: (Amount in Rs.Thousands)

Turnover/Other Income: Total Expenditure:
 Earlier Year adjustment: Balance Brought Forward:
 Profit/Loss before Tax: Profit/Loss after Tax:
 Earnings per share (Rs.): Dividend Rate (%):

V. GENERIC NAME OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY: (As per Monetary Terms)

Item Code No.
 Product Description

For Delta Magnets Limited

Jaydev Mody	Director	
Mahesh Gupta	Director	
Capt. Ratnakar Barick	Whole Time Director	Dhrumil Shah
Ashish Kapadia	Director	Company Secretary

Book - Post
Under Certificate of Posting

If Undelivered, please return to:

 **DELTA** *MAGNETS LIMITED*

(Formerly Known as G. P. Electronics Limited)

16/A, Alli Chambers, 2nd Floor,
Nagindas Master Road,
Fort, Mumbai - 400001,
Maharashtra.