

MAGICUT TOOLS LIMITED

18TH ANNUAL REPORT

REGD. OFFICE

PLOT NO.8, CAMA INDL. ESTATE
GOREGAON (EAST),
MUMBAI - 400 063.

MAGICUT TOOLS LIMITED

**EIGHTEENTH ANNUAL REPORT
AS ON 31ST MARCH 1999.**

BOARD OF DIRECTORS :

MR. MAHAVIR PRASAD AGRAWAL	-	CHAIRMAN
MR. NARANDRA GUPTA	-	MANAGING DIRECTOR
MR. RAMESH PRAKASH AGRAWAL	-	TECHNICAL DIRECTOR

AUDITORS :

**M/S.S.V CHITRE & CO.
CHARTERED ACCOUNTANTS.**

BANKERS:

BANK OF BARODA

ADMINISTRATIVE OFFICE :

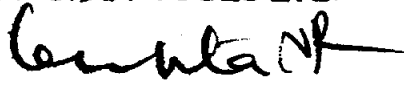
**PLOT NO.8, CAMA INDUSTRIAL ESTATE,
GOREGAON (EAST),
MUMBAI - 400 063.**

REGISTERED OFFICE & FACTORY :

**SURVEY NO.28
TEMEHODE-SHIRGAON ROAD,
DHANSAR VILLAGE,
PALGHAR-401 404
DIST:THANE
MAHARASHTRA.**

CERTIFIED TRUE COPY

FOR MAGICUT TOOLS LTD.


DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 18th Annual General Meeting of the members of the Company will be held at its administrative office at B. Cama Industrial Estate, Goregaon (East), Mumbai-400 063 on Monday, the 27th December 1999 at 2.00 P.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 1999 and the Balance Sheet as at that date and the report of Board of Directors and Auditors Report thereon.
2. To appoint a Director in place of Shri. Mahavir Prasad Ramlal Agrawal who retires by rotation and being eligible offer himself for reappointment.
3. To appoint M/s S.V.Chitre & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

PLACE : MUMBAI
DATED : 22nd November, 1999

Sd/-
M.R. AGRAWAL
CHAIRMAN.

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY. TO ATTEND AND VOTE INSTEAD OF HIMSELF. AND A PROXY NEED NOT BE A MEMBER.
- 2) The Register of Member and Share Transfer Register of the company will remain closed from 22nd day of December, 1999, to 26th day of December, 1999 (both days inclusive).
- 3) Members/Proxies should bring the attendance Slip duly filled in, for attending the meeting.
- 4) Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 5) Shareholders seeking any information with regard to accounts or other matters are requested to write to the company atleast one week before the date of the meeting so as to enable the management to keep the information ready.
- 6) Members are requested to notify to the company any change in their address specifying full address in block letters with pin code of the post office, and mentioning their respective folio numbers.
- 7) Members are requested to correspond with the company's Registered Office in respect of Share transfer matters.

BY ORDER OF THE BOARD

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PLACE : MUMBAI
DATE : 22nd November, 1999

Sd/-
M.R. AGRAWAL
CHAIRMAN.

DIRECTORS' REPORT

**TO
THE MEMBERS.
MAGICUT TOOLS LIMITED**

Your Directors have pleasure in presenting the 18th Annual Report alongwith the Audited Statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS :

	(Rs.in Lakhs)
Sales/Other Income	789.29
Profit before interest and depreciation	(-) 2.33
Less: Interest	41.43
Gross Profit	(-) 43.76
Less: Depreciation	21.12
Profit before tax	(-) 64.88
Net Profit after Tax	(-) 64.88

2. OPERATIONS :

During the year under review, the company's turnover went up to Rs. 777.82 Lacs, and there was a net loss of Rs.64.88 Lacs, mainly on account of interest and depreciation for the year at Rs.41.43 Lacs and Rs.21.12 Lacs respectively. The paid up capital of the company which was Rs.441.61 lacs during the previous year is remains the same during the year on account of non-receipt of allotment money from some of the members.

3. DIVIDEND :

The Directors are not recommending any dividend for the year as the company has incurred losses.

4. DIRECTORS :

In accordance with the provisions of Articles of Association of the Company and Companies Act, 1956 Shri. Mahavir Ramlal Aarawal retires by rotation and being eligible offers himself for reappointment.

5. INSURANCE :

The assets of the Company are adequately insured.

6. AUDITORS :

Members are requested to appoint Auditors for the Current Year and to authorise the Board of directors to fix their remuneration.

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M/s. S.V. Chitre & Co., the retiring Auditors, have given their consent to act as Auditors of the Company if re-appointed and have confirmed that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

7. NOTES AND REPORT ON ACCOUNTS :

The Auditors observations and the relevant notes on the accounts are self explanatory and therefore do not call for any further comments.

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

The details as required under the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in the annexure forming part of this report.

9. OTHER INFORMATION :

As required, pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there is no employee drawing salary in excess of the limits prescribed by the said Act.

10. Year 2000 (Y2K) Compliance

The company has taken necessary steps to assure/secure Y2K compliance of the equipment and software deployed in the company's operations. The company is in the process of preparing a contingency plan to reduce the risk from any outside agency not meeting the required status of Y2K readiness.

11. ACKNOWLEDGEMENTS :

Your Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Central and State Government, Bank of Baroda, SEBI, Stock Exchanges, Registrars, Suppliers, Consumers for their patronage of the Company's products, Auditor, and all the shareholders for their support. Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the officers and employees at all levels and their contribution towards the progress of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE : MUMBAI
DATE : 22nd November, 1999

Sd/-
M.R. AGRAWAL
CHAIRMAN.

ANNUAL REPORT 1998-99

A. POWER AND FUEL CONSUMPTION IN RESPECT OF : MANUFACTURING UNITS

- | | | |
|----|--------------------------------------|----------------|
| 1. | Purchased Units | 534798 Units |
| | Total Amount | Rs. 23.60 Lacs |
| 2. | Own Generation
(Through D.G. Set) | NIL |

B. TECHNOLOGY ABSORPTION**FORM B****1. RESEARCH AND DEVELOPMENT**

- a) Special Areas : Our research and development activities are concentrated mainly for improving existing products.
- b) Benefits derived : The company has established itself with various Govt./Semi Govt. Undertakings & also public sector units due to further improvement in quality products.
- c) Plan of Action : The company is continuously making improvements in quality of its products.
- d) Expenditure on R & D : Commensurate with the requirements of the industry.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

- a) Efforts made : Continuous efforts are being made in improving the quality of HSS Blades & Tool Bits. Bearings produced by the Company on existing production methods, improving labour productivity and installation of new machinery are also a part of these efforts.
- b) Benefits : Company could make its impact in the manufacturing by updating the technology.
- c) Imported technology : The company is presently using Indian Technology.

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C. FOREIGN EXCHANGE EARNING AND OUTGO

a) Efforts : The company has been constantly pursuing to get an increased share in the world market and has met with reasonable success in this area.

b) Earning & Outgo :

Rs. in Lacs

1) Foreign Exchange Earning
Export Sales (FOB)

Nil

2) Foreign Exchange Outgo (includes
raw material, spare parts, Capital
goods and other expenditure in
foreign currency including dividends)

a) Raw Material

89.79

FOR AND ON BEHALF OF BOARD

Place : MUMBAI

Dated : 22nd November, 1999

Sd/-
M.R. AGARWAL
CHAIRMAN

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M/S. MAGICUT TOOLS LIMITED

AUDITORS REPORT

**TO
THE MEMBERS OF
MAGICUT TOOLS LIMITED**

We have audited the attached Balance Sheet of M/s. MAGICUT TOOLS LTD. as at 31st March, 1999 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

- 1) As required by the Manufacturing and other Companies (Auditors Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the companies Act, 1956 and on the basis of such checks, as we considered appropriate and information and explanation given to us, we enclose in the Annexure attached hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order.
- 2) 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.
- 3) 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 the books.
- 4) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- 5) In our opinion, the Balance Sheet & the Profit & Loss Account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, as amended.
- 6) In our opinion and to the best of our information and according to the explanation given to us, the accounts subject to Note No.7(B) (a to d) regarding Depreciation on Book value of the fixed Assets and note on revalued figures, and Note No.9 regarding issue of Bonus Shares out of the Revaluation Reserve created by revaluation of certain Fixed Assets and read alongwith other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

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