




For, MAGNUM LIMITED


Vice Chairman & Managing Director

MAGNUM LIMITED

3rd Floor, Smit Complex, Choice Lane, Off C.G.Road, Navrangpura, Ahmedabad-380009
Phone : 079 - 6423080, 6445556, 6444468 Fax : 079 - 6425142
E-mail : magnum@magnumnet.com Website : www.magnumnet.com

EIGHTH ANNUAL REPORT 1999-2000

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

DR. GITESH K. SHAH	:	VICE-CHAIRMAN & MANAGING DIRECTOR
SMT. SUHASINI J. VYAS	:	WHOLE-TIME DIRECTOR
SHRI MUKESH M. PATEL	:	DIRECTOR
SHRI PRABHUDAS S. PATEL	:	DIRECTOR
SHRI ANIL G. PATEL	:	DIRECTOR
SHRI PARESH N. PATEL	:	(Alternate to Shri Anil G. Patel)

AUDITORS :

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

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BANKERS :

CORPORATION BANK, AHMEDABAD
DENA BANK, ELLISBRIDGE, AHMEDABAD
SUVIKAS PEOPLE'S CO-OPERATIVE BANK LIMITED, AHMEDABAD

REGISTERED OFFICE :

3rd FLOOR, SMIT COMPLEX,
CHOICE LANE, OFF C.G. ROAD,
NAVRANGPURA, AHMEDABAD-380 009.

**ANNUAL REPORT 1999-2000****NOTICE**

NOTICE is hereby given that the EIGHTH Annual General Meeting of the Company will be held on Tuesday, the 20th day of June, 2000 at 11.30 a.m. at the meeting Hall of Ahmedabad Textile Mill Owners' Association, Ashram Road, Ahmedabad-380 009 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2000, the Balance-Sheet as on that date and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Prabhudas S. Patel, who is retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt. Suhasini J. Vyas who retires by rotation and being eligible, offers herself for reappointment.
4. To reappoint the Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mrs. Suhasini J. Vyas, be and is hereby appointed as a Whole-time Director of the Company on the following terms and conditions:

- (1) The appointment shall be for a period of 5 years with effect from 1st May, 2000.
- (2) She shall be entitled to a Salary of Rs. 20,000/- (Rupees Twenty Thousand Only) per month which shall be paid as a minimum remuneration even in case of loss or inadequacy of profits.
- (3) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation or the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (4) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (5) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole-time Director.
- (6) The Company will reimburse to the Whole-time Director such expenses as she may incur on behalf of the Company.
- (7) The whole-time Director will be entitled to the earned privileges leave on full pay and allowance as per the rules of the Company not exceeding one month leave for every eleven months of service.



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- (8) The Whole-time Director shall not be entitled to receive any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of her appointment."

"RESOLVED FURTHER THAT Dr. Gitesh K. Shah, the Vice Chairman & Managing Director of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the foregoing resolution."

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Authorised Share Capital of the Company of Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares Rs. 10/- each and 20,00,000 (Twenty Lacs) Redeemable Preference Shares of Rs. 10/- each be reclassified by cancellation of unissued Redeemable Preference Shares and in lieu thereof by creating 20,00,000 Equity Shares of Rs. 10/- each so that the Authorised Share Capital of the Company after such alteration be Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- each and that the Capital Clause V of the Memorandum of Association be amended accordingly and that the new equity shares so created shall rank pari passu with the existing equity shares of the Company in respect of dividend and voting rights etc.."

PLACE : AHMEDABAD

DATED : 1st MAY, 2000

BY ORDER OF THE BOARD

DR. GITESH K. SHAH

VICE CHAIRMAN & MANAGING DIRECTOR

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed, in respect of item no. 5 of the notice set out above.
3. A Proxy in order to be valid should be received at the Registered Office of the Company not later than 48 hours of the time of the Annual General Meeting of the Company.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 15th June, 2000 to 20th June, 2000 (both days inclusive).
5. Members are requested to bring their copies of Annual Report at the meeting.

**ANNUAL REPORT 1999-2000****EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 5 :

Smt. Suhasini J. Vyas is one of the Directors of the Company and was appointed as such with effect from 8th November, 1995. The Board of Directors, in its meeting held on 24th April, 2000, keeping in mind the involvement of Smt. Suhasini J. Vyas in Managing the affairs of the Company decided to appoint her as a Whole-time Director of the Company at a remuneration as stated in the draft agreement and setout in the resolution aforesaid.

Your Directors recommend the resolution for your approval.

A copy of the draft agreement to be entered into with Smt. Suhasini J. Vyas, as a Whole time Director of the Company is available for inspection by any member at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day, upto the date of the Annual General Meeting.

None of the Directors except Smt. Suhasini J. Vyas, being the appointee, is concerned or interested directly or indirectly in the above resolution.

ITEM NO. 6

The present Authorised Share Capital of the Company is Rs. 7,00,00,000/- which is divided into 50,00,000 Equity Shares of Rs. 10/- each and 20,00,000 Redeemable Preference Shares of Rs. 10/- each. The Company has not issued the Redeemable Preference Shares nor there is any proposal for issuance of such Preference shares in near future. The Company, however, may proceed to issue Equity Shares to select group of persons in future after complying with various rules, regulation and guidelines issued by appropriate authorities in this behalf. The resolution setout at Item No. 6 of the accompanying notice seeks the alteration in the Capital clause of the Memorandum of Association of the Company by cancellation of unissued Redeemable Preference shares and creating in lieu thereof the equal number of Equity shares ranking pari passu with the existing equity shares of the Company.

A copy of the existing Memorandum and Articles of Association of the Company is available for inspection by any member at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day, upto the date of the Annual General Meeting.

None of the director of the Company is, in any way, concerned or interested in the said resolution.



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DIRECTORS' REPORT

Your Directors are pleased to present herewith the Eighth Annual Report for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE :

	(Rs. In Lacs)	
	1999-2000	1998-1999
Income	147.26	110.41
Profit Before Interest, Depreciation & Tax	41.25	47.48
Profit/(Loss) Before Depreciation & Tax	34.33	(0.59)
Profit/(Loss) Before Tax	23.65	(11.21)
Profit/(Loss) After Tax	21.88	(11.21)
Capital Receipt transferred to B/S on account of settlement With Bank	30.00	—
Total transferred to B/S	51.88	(11.21)

OPERATIONS :

The year under review saw a quantum shift in the focus of the Company towards providing total solutions as a strategic tool. From a revenue of Rs. 30.49 lacs from software operations (28% of Total), the current year saw a growth to Rs. 93 lacs (63% of total), representing an increase of 36% in software revenue.

The Company has entered into a strategic alliance with Satyam Computer Services Ltd for implementation of Oracle/SAP ERP (Enterprise wide Resources Planning) solutions. With this alliance, the Company succeeded in bagging, the prestigious order for implementation of Oracle ERP at Gujarat Chemical Port Terminal Co. Ltd, situated at Dahej. In this project the responsibility includes implementation of Oracle Application, implementation of Maximo maintenance Package, Human Resources package of Magnum, Integration between all systems, Interface with Terminal Automation System and overall Project Management. The project is in the final stage and on the verge of completion, in a record time of four months. The Company has also bagged major orders from GSFC, RTO, GWSSB for development of custom made Application Software. Your Company has major strengths in client-server technology and Oracle RDBMS.

The Company had entered into a memorandum of Understanding with IndusInd Bank Limited, Ahmedabad, on 20th August, 1999 for settlement of the overdue of the Bank till date as the Company had suffered in its Hire Purchase Financing Activity & as the long outstanding from the clients were not recoverable, since then Company has stopped financing activity. The account in the said Bank has been squared off by settlement of such amount before the due date.

On account of settlement with bank, Company has been given the credit for payment of principal amount to the extent of Rs. 30/- lacs & hence the same has been transferred to Balance Sheet. The amount of secured loans reduced to Rs. 38.53 lacs from its previous years balance of Rs. 247.86 Lacs.

**ANNUAL REPORT 1999-2000**

Your directors are happy to inform that magnum has been awarded ISO-9001 Quality Standard Certificate by KPMG a USA based Company. Magnum has got registration for its Export-Division with Software Technology Park Gandhinagar. Company will get ten years tax holiday from its future Export Profit.

The name of your Company has been changed from "Magnum Fincap Limited" to "Magnum Limited" with effect from 17th November, 1999.

CURRENT YEAR PROSPECTS

Taking the company further on the path of progress, the Company expects excellent growth during the current year also, which will fully consolidate to position as a leading I.T. Solution Provider. The Company has bidden for implementation of SAP in GIPCL and is confident of bagging this order. Additional implementation projects for oracle/SAP are also expected during the current year. Your Company is also likely to enter into other area such as Data Warehousing, Internet based Applications/ E-Commerce, Work Flow. The Company is coming out with its own ERP Package for the SME (Small & Medium Enterprise) segment. Your Company is also looking at software export as a major business segment during the current year.

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

The particulars regarding Conservation of Energy and Technology Absorption pursuant to Section 217(1)(c) of the Companies Act, 1956 are NIL. The Foreign Exchange earnings of the Company by way of Software Export amounted to Rs. 1,25,063 for the fiscal year. No foreign exchange has been spent by the Company.

DEPOSITS :

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

DIVIDEND :

On account of initial stage of turnaround of your Company and to plough back the profits, your directors express their inability to recommend any dividend for the year under review. However, the directors are hopeful that in near future, the Company shall be in a position to reward the shareholders on their investment.

PARTICULARS OF EMPLOYEES :

There is no employee who is in receipt of remuneration exceeding the limits as specified under Section 217(2A) of the Companies Act, 1956.

DIRECTORS :

Shri Girish N. Thaker, a Director of the Company expired on 17th September, 1999. The Company was greatly benefited by the rich experience and knowledge of Shri Girish N. Thaker and also achieved a remarkable progress under his able guidance. The Board at its meeting held on 22nd September, 1999 condoled the sad demise of Shri Girish N. Thaker and expressed its whole-hearted sympathy towards all the bereaved family members.

Smt. Suhasini J. Vyas, a Director was appointed as Whole-time Director of the Company w.e.f. 1st May, 2000, subject to approval of the members in General Meeting. You are requested to accord your approval to the appointment of Smt. Suhasini J. Vyas, as a Whole-time Director of the