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MAGNUM LIMITED

  
Vice Chairman & Managing Director

# MAGNUM LIMITED

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## NINTH ANNUAL REPORT 2000-2001

**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.

**BANKERS :**

CORPORATION BANK, AHMEDABAD  
DENA BANK, ELLISBRIDGE, AHMEDABAD  
THE SUVIKAS PEOPLES' CO-OPERATIVE BANK LIMITED, AHMEDABAD.

**REGISTERED OFFICE :**

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



## ANNUAL REPORT 2000-2001

### NOTICE

NOTICE is hereby given that the NINTH Annual General Meeting of the Company will be held on Friday, the 27th day of July, 2001 at 11.00 a.m. at the Meeting Hall of Ahmedabad Textile Mills Owners' Association (ATMA), 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, 2001, 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 Mukesh M. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Anil G. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint the Auditors and fix their remuneration.

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BY ORDER OF THE BOARD,

PLACE : AHMEDABAD

**DR. GITESH K. SHAH**

DATED : 28TH MAY, 2001

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. 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.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st July, 2001 to 27th July, 2001 (both days inclusive).
4. Members are requested to bring their copies of Annual Report at the meeting.

**MAGNUM LIMITED****DIRECTORS' REPORT**

Your Directors are pleased to present herewith the NINTH Annual Report for the year ended 31st March, 2001.

**FINANCIAL PERFORMANCE :**

	(Rs. In Lacs)	
	2000-2001	1999-2000
Income	192.33	147.26
Profit before Interest, Depreciation & Tax	0.30	41.25
Profit/(Loss) before Depreciation & Tax	(12.51)	34.33
Profit/(Loss) before Tax	(23.80)	23.65
Provision for Tax	Nil	1.77
Profit/(Loss) after Tax	(23.80)	21.88
Capital Receipt transferred to B/S an account of settlement with Bank	30.00	
Total Transferred to B/S	Nil	51.88

**RESPONSIBILITY STATEMENT :**

The Directors Confirm :

- That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- That they have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year of the Profit or loss of the Company for that period;
- That they 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;
- That they have prepared the Annual Accounts on a Going concern basis.

**OPERATIONS :**

During the year under review, your company has been in a position to achieve a higher Sales turnover of Rs. 192.33 Lacs in comparison to Sales turn over of Rs. 147.26 Lacs registered in the previous year. Thus the Company has achieved a growth of almost 31% for its Annual Sales turn over.

The year under review saw a complete shift in the focus of the Company towards providing total solutions as a strategic tool in the field of IT. Your Company has stopped the business activities as registrars and Share transfer agents and did not renew its registration as registrar to the issue in Demat segment. The company has received Hire Charges of Rs. 78,451/- out of old Hire Agreements. As such the company is not engaged in fresh Hire Purchase business.



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Last year your 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 has successfully completed the prestigious order of Implementation of Oracle ERP (Oracle Applications/Oracle Financials) and it's integration with customized solutions tailored by the company at Gujarat Chemical Port Terminal Co. Ltd, situated at Dahej. With the same alliance partner your company has succeeded in bagging, the large order of Implementation of SAP ERP at Gujarat Industries Power Company Ltd., situated at Baroda. Major orders gained in the last years from GSFC, RTO, GWSSB for their custom made application software has reached its final stage of Implementation as the Development work has been completed. Your company has its major strength in developing customized/tailor-made total software solution for Large, Medium and Small Enterprises using Client-Server Technology and Oracle RDBMS.

### CURRENT YEAR PROSPECTS :

To enhance its business activities, your company has proceeded by promoting the Software Solutions Developed for various sectors like Transport, Public Health and State Electricity Boards in the state of Gujarat to other fast growing states like Haryana and Chhatisgarh. Solutions developed with standard government Acts and Rules can be simply used by any state government across the country, so company expects these solutions to get potential business. With a view to making a foray into the area of web technologies and E-commerce, the company has successfully completed the development of an e-commerce PORTAL for Chemical Industries, which is a B2B Site. By the second quarter of the current year this portal will start its commercial activities. Your company is likely to stress more on the field of Data Warehousing, Workflow Automation and more ERP implementations. The company has also developed its own ERP Solution for the SME (Small and Medium Scale Enterprises) Segment. Promotion and Marketing activities have started for the same.

Your directors are confident that in the years to come, your Company shall be in a position to make a turnaround.

### DIVIDEND :

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.

### 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.

### 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. 6,957/- for the fiscal year. No foreign exchange has been spent by the Company during the said year.

**MAGNUM LIMITED****PARTICULARS OF EMPLOYEES :**

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

**DIRECTORS :**

Shri Mukesh M. Patel and Shri Anil G. Patel, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

You are requested to give your approval to the resolutions for the appointment of the Directors as set-out in the notice.

**AUDITORS :**

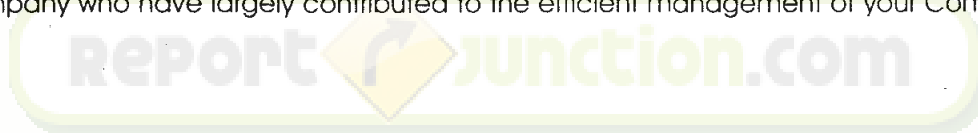
M/s. Asim Mehta & Associates, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. You are requested to reappoint the retiring Auditors and fix their remuneration.

**CORPORATE GOVERNANCE :**

As the Paid up Capital of the Company is less than Rs. 5 crores, the provisions of Section 292A of the Companies Act, 1956 are not applicable. The compliance of Corporate Governance under Clause 49 of the Listing agreement are also yet not applicable to the Company.

**ACKNOWLEDGEMENT :**

Your Directors would like to express their deep appreciation for the support and Co-operation extended by the bankers, especially Corporation Bank and Dena Bank . The directors wish to place on record their appreciation of the devoted services of the staff and the officers of the Company who have largely contributed to the efficient management of your Company.



PLACE : AHMEDABAD

DATED : 28TH MAY, 2001

FOR AND ON BEHALF OF THE BOARD

**DR. GITESH K. SHAH**

VICE CHAIRMAN & MANAGING DIRECTOR

**ANNUAL REPORT 2000-2001****AUDITORS' REPORT**

To,  
The Members of  
MAGNUM LIMITED

We have audited the attached Balance Sheet of MAGNUM LIMITED as at 31st March, 2001 and also the Profit and Loss Account of the Company for the year ending on that date annexed thereto.

We report as follows :

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, we annex hereto a statement on the matter specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purpose of our audit.
  - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examinations of the books.
  - c. The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.
  - d. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e. As per the information and explanations given to us, none of the Directors of the Company are disqualified from being appointed as a Director under clause 'g' of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) In the case of the Balance Sheet, the state of the affairs of the Company as at 31st March, 2001 and
    - (ii) In the case of the Profit and Loss Account, Loss of the Company for the year ended on that date.

For ASIM MEHTA & ASSOCIATES  
Chartered Accountants

Place : Ahmedabad  
Dated : 28/05/2001

**ASIM C. MEHTA**  
PROPRIETOR