



TRUE-COPY
For MAGNUM LIMITED

A handwritten signature in black ink, likely of the Managing Director.

Managing Director

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MAGNUM LIMITED

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TENTH ANNUAL REPORT 2001-2002

**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 (up to 26th October, 2001)
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
THE 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 2001-2002****NOTICE**

NOTICE is hereby given that the TENTH Annual General Meeting of the Company will be held on Tuesday, the 17th day of September, 2002 at 11.00 a.m. at the Meeting Hall of Ahmedabad Textile Mills Owners' Association (ATMA), Ashram Road, Ahmedabd - 380 009 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, 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 retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint the Auditors and fix their remuneration.

BY ORDER OF THE BOARD,

DR. GITESH K. SHAH

VICE CHAIRMAN AND MANAGING DIRECTOR

PLACE : AHMEDABAD
DATED : 30TH JULY, 2002

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 10th September, 2002 to 17th September, 2002 (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 TENTH Annual Report for the year ended 31st march, 2002.

FINANCIAL PERFORMANCE :

	(Rs. In Lacs)	
	2001-2002	2000-2001
Income	168.78	192.33
Profit before Interest, Depreciation & Tax	51.23	0.30
Profit/(Loss) before Depreciation & Tax	42.63	(12.51)
Profit/(Loss) before Tax	30.85	(23.80)
Provision for Tax	3.54	Nil
Profit/(Loss) after Tax	27.31	(23.80)
Provision for Deferred Taxation	0.92	Nil
Profit/(Loss) after Provision of Deferred Taxation	26.39	Nil
Capital Receipt transferred to B/S an account of settlement with Bank	--	30.00
Total Transferred to B/S	26.39	Nil

RESPONSIBILITY STATEMENT :

The Directors Confirm :

- That in the preparation of Annual Accounts, the applicable Accounting Standards and policies have been followed. Investments have been considered as long term Investment & hence provision for diminution in value to the tune of Rs.20363182/- have not been done.
- That they have selected such Accounting Policies and applied them consistently and made judgement 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 bagged the prestigious order for the billing services of the Uttar Haryana and Dakshin Haryana Bijli Nigam Limited. The order envisages the complete operation of billing services for the Nigam for all sectors (Agriculture, HT and LT) on a Build, Own, Operate and Transfer (BOOT) basis for a period of five years after implementation at all locations. Since the company has already successfully developed such software for the Gujarat Electricity Board, the basic software for the purpose is already available and has only to be customized to meet the exact requirements of the Haryana State Electricity Nigam. The software will be implemented in one pilot location and rolled out to the other locations. The software customization work is in an advanced stage and is nearing completion. The implementation at the pilot location will start shortly.

Your company successfully implemented all modules of the integrated software at the pilot location (Baroda O&M Division) of GEB, and is now poised to roll out the same to other locations. GEB has already made plans for the roll out to 30 locations in the first phase during the current year. Your company also successfully completed the implementation of SAP at Gujarat Industries Power Company Ltd, Baroda, where the systems have gone live. At GSFC, Sikka unit also the software was successfully implemented to the full satisfaction of the user organization.



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The software developed for Regional Transport Office (RTO) has been inspected by Gujarat Informatics Ltd., and the same has been certified and accepted. Implementation at 24 locations will be started shortly. In the case of Gujarat Water Supply and Sewerage Board (GWSSB) also, most modules of the software have been tested and accepted. The remaining portion, which is being examined by an external consultant, is expected to be accepted within a short while. The implementation at various locations for this project will start thereafter.

The ERP for Small & Medium Enterprises (SME), which was under development, has also been completed. Due to the depressed market conditions, the same could not be taken up for marketing during the year under review. It is expected that marketing of this product will be started during the year 2002-03.

CURRENT YEAR PROSPECTS

Your company is continuing its efforts to promote its niche products and solutions that it has developed for utility segments like State Electricity Board, Transport and Public Health Sectors. The company is actively in touch with various State governments like Rajasthan, Maharashtra and Punjab, where requirement exists and the company's prospects are very good.

Considering the infrastructure available with the company and the past experience in similar work, your company is also contemplating entry into high volume labour-intensive sectors, where the margins are good. The company is making a start by bidding for the work of the Election Commission, involving the preparation of identity cards for voters. Given its background and the image it has built up in the past, your company is confident of bagging a sizeable order in this area.

Your company plans to take up the marketing of its ERP package actively in the immediate future. The bulk of the work in Haryana will also start during the year 2002-03. Implementation of software developed for Gujarat Electricity Board, Regional Transport Office, Gujarat Water Supply and Sewerage Board will also be taken up in the coming year. Since each of these will involve multiple locations, a sizeable portion of the revenue will flow from these sources in the near future. Taking all these into account, your directors are of the opinion that the prospects for the company are very good in the coming years.

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 shareholder.

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. No foreign exchange has been earning & spent by the Company during the said year.

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.

**MAGNUM LIMITED****DIRECTORS :**

Shri Prabhudas S. Patel Director of the Company retire by rotation and being eligible offers himself for reappointment.

Shri Mukesh M. Patel has resigned as Director of the Company, effective from 27th October, 2001 because of his preoccupation with other assignments.

Your Director place on record deep appreciation for his active role played by him during his tenure and valuable guidance he has provided to the Company.

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 thier deep appreciation for the support and Co-operation extended by the bankers, especially Corporation Bank, Dena Bank and The Suvikas People's Co-Op. Bank Ltd. The directors wish to place on recrd their appreciation of the devoted services of the staff and the officers of the Company who largely contributed to the efficient management of your Company.

FOR AND ON BEHALF OF THE BOARD

PLACE : AHMEDABAD

DR. GITESH K. SHAHDATED : 30TH JULY, 2002

VICE CHAIRMAN AND MANAGING DIRECTOR

ANNUAL REPORT 2001-2002**AUDITORS' REPORT**

To,
The Members of
MAGNUM LIMITED

We have audited the attached Balance Sheet of MAGNUM LIMITED as at 31st March, 2002 and also the Profit and Loss Account of the Company for the year ending 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 whether the financial statements are free of material misstatement. 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.

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.

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 the books.
- 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. Subject to our Notes on Accounts in Schedule No.15.
- 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 subsection (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, 2002 and
 - (ii) In the case of the Profit and Loss Account, Profit of the Company for the year ended on that date.

For ASIM MEHTA & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 30/07/2002

ASIM C. MEHTA
PROPRIETOR