

**30th ANNUAL REPORT
2009-10**

MAGNUM VENTURES LIMITED

Sahibabad Ghaziabad (U.P.)

MAGNUM VENTURES LIMITED

30th ANNUAL REPORT – 2010

BOARD OF DIRECTORS

Praveen Kumar Jain	<i>Chairman & Managing Director</i>
Pradeep Kumar Jain	<i>Managing Director</i>
Parmod Kumar Jain	<i>Whole-time Director</i>
Vinod Kumar Jain	<i>Whole-time Director</i>
Abhey Jain	<i>Whole-time Director</i>
Rakesh Garg	<i>Director</i>
Naveen Jain	<i>Director</i>
Shri Krishan Jain	<i>Director</i>
Subhash Oswal	<i>Director</i>
Mohd Shahid Aftab	<i>Director</i>
Ramesh Chander	<i>Company Secretary</i>

STATUTORY AUDITORS

Sunil K. Mittal & Co.

Chartered Accountants

8 - D, Hansalya, 15, Barakhamba Road,
New Delhi-110001

REGISTERED OFFICE

"Magnum House", 3/4326, Ansari Road,
Daryaganj, New Delhi - 110 002

WORKS

18/41, Site-IV, Industrial Area, Sahibabad,
Ghaziabad, Uttar Pradesh - 201 010

64/3, 4, 5 & 6 Site-IV, Industrial Area, Sahibabad,
Ghaziabad, Uttar Pradesh - 201 010

REGISTRAR AND TRANSFER AGENT

MAS Services Limited

T-34, IInd Floor, Okhla Industrial Area,
Phase-II, New Delhi 110 020

Tel : +011-2638 7281/82/83

Fax : +011-2638 7384

Website : www.masserv.com

E-Mail : info@masserv.com

Contact Person : Mr N K Rastogi

CONTACT DETAILS

Phone Nos : 91-0120-4199200 (100 lines)

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MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

CHAIRMAN'S SPEECH

Dear Shareholders,

It is my pleasure to extend a very warm welcome to all of you to your company's 30th Annual General Meeting.

It is indeed a matter of great privilege to share with you the achievements and highlights of the strong performance by the Company in this year also.

With the upgradation and modernization, the Company had undergone in the year 2008-09, the Company was able to increase its turnover by more than 15% from Rs 11246.29 Lacs in the year 2008-09 to Rs 13250.01 Lacs in the year 2009-10.

With expansions coming on stream and severe liquidity crunch seen during the year, both depreciation and interest increased during the year 2009-10, while depreciation increased from Rs 1837.95 Lacs in 2008-09 to Rs 2282.47 Lacs in 2009-10, finance charges (mainly interest on Term Loans) increased from Rs 1098.21 Lacs in 2008-09 to Rs 2264.61 Lacs in 2009-10. Consequently, Loss after Tax increased by 89.27 Lacs to Rs 1926.42 Lacs in 2009-10.

The Company has been successfully running its manufacturing plant for Precipitated Calcium Carbonate (PCC). The main objective for implementing the proposed project was to achieve excellence and cost competitiveness in paper making manufactured by the company and to produce better quality of paper and paperboard and more over to provide multi-grade PCC to other industry.

The Hotel of your Company, which has become operational since 15th February, 2009, is running successfully. It offers 216 spacious guest rooms and suites providing the perfect accommodation for both business and leisure guests.

The Company had entered a Management and Territory License Agreement with Country Development and Management Services private Limited for using the brand "Country Inn & Suites by Carlson".

As a part of the Management Commitment towards System implementation, the Company achieved environment management Certification of ISO 14001: 2004 for the year 2009-10.

I would like to express my gratitude to our Board of Directors for their determination to forge ahead inspite of many challenges. I am also grateful to all our stakeholder- our customers, suppliers, bankers and employees, who have reposed their trust in us and stood by the Company through this voyage of challenges and change and given us their constant support. With all their continued contributions I see the company far ahead.

With best wishes,

Sd/-

Salek Chand Jain

Founder Chairman

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Friday, 17th September, 2010 at 02:30 P.M. at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110003 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr Rakesh Garg, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Naveen Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Vinod kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**Resolved that** Mr Abhey Jain, who was appointed as an Additional Director of the Company during the year and holds office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**Resolved that** Mr Shri Krishan Jain, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**Resolved that** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, the consent of the members be and is hereby given to the appointment of Mr Abhey Jain as the Whole Time Director of the Company with effect from December 10, 2009 for a period of five years at a nil remuneration.”
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**
“**Resolved that** subject to the provisions of the Memorandum and Articles of Association of the Company, section 81 of the Companies Act, 1956, guidelines issued by the Securities & Exchange Board of India (SEBI), the Foreign Exchange Management Act, 1999, and other applicable provisions, if any, and subject to such consents and approvals as may be required and subject further to such conditions and modifications as may be prescribed in granting such consents, approvals and subject to such conditions as may be imposed by the SEBI which may be agreed to by the Board of Directors of the Company at its sole discretion (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, equity shares, debentures, bonds, instrument which is fully or partly convertible into Equity Shares, warrants whether in Indian Rupee or any foreign currency (hereinafter collectively referred to as “Securities”), secured or unsecured, or any other instruments, to any person, whether or not the members of the Company, including the Promoters of the Company, their Friends, Relatives & Associates, Business Associates, employees (including directors & workers) of the Company and its group companies, Corporate Bodies, Mutual Funds, Financial Institutions, Banks, Foreign Institutional Investors, Non Resident Indians, Foreign Nationals, Insurance Companies, Pension Funds, Portfolio Managers, etc., by way of right issue, public issue, Global Depository Receipts (GDR), American Depository Receipts (ADR) reservation on competitive basis, reservation on firm allotment basis, private placement, preferential allotment basis or a combination thereof at such price or prices so however that the total amount raised through the aforesaid Securities should not exceed Rs. Two hundred Crores subject to however, the total aggregate of such securities placed in the International

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Market will not exceed Rs. One hundred Crores when converted into Indian Rupees at the current prevailing market conversion rate of US Dollars or any foreign currency to Indian Rupee and on such terms and conditions or in such manner as the Board may in its absolute discretion think fit, in consultation with the Lead Managers, Advisors and/ or such other persons and on such terms and conditions including the ratio in which such Securities may be offered, issued and allotted to the existing shareholders, the number of Securities to be issued, face value of the Securities, rate of interest, premium, number of equity shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/ or warrants and/ or any other financial instruments, period of conversion, fixing of record date or book closure and other related or incidental matters.

Resolved further that in case of any Equity Linked Securities Issue/ Offer, the Board be authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offer, all such shares would rank pari passu inter se, with the then existing Equity Shares of the Company in all respects except dividend, if any, which shall be paid proportionately i.e. from the date of its allotment.

Resolved further that for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s) including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of securities / exercise of warrants/ redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/ or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

Resolved further that the Board of Directors or Committee thereof be and is hereby authorised to fix differential pricing on different mode of issue.

Resolved further that for the purpose of giving effect to the above resolution the Board and the committee thereof be and is hereby authorized on behalf of the Company to do all or any of such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose including but without limitation to enter into under-writing, marketing, depository, custodian and any other arrangements or agreements and to remunerate all other agencies by way of commission, Brokerage, fees or the like and also to seek the listing of such securities in any one or more of the International/Indian Stock Exchanges including the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange Association Ltd (NSE) with power to act on behalf of the Company and to settle such questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.

Resolved further that in case of any over subscription of the issue, the Board, be and is hereby authorized to retain such of the amount and issue and allot Securities, as may be permitted in accordance with applicable laws, rules, and provisions in consultation with the Stock Exchanges.

Resolved further that the Board be entitled to vary, modify alter any of the foregoing terms and conditions to conform with those as may be approved by SEBI, RBI or any other appropriate authorities and department.

Resolved further that for the purpose of giving effect to the above the Board be and is hereby authorized to do all things necessary for the purpose of giving effects to the issue and allotment of said Securities / Equity Shares and to take such action or give such directions as may be necessary or desirable and to accept any modifications in the proposal and terms of the issue including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered which may result in a change in the total amount of the issue as may be considered necessary by the Board or as may be prescribed in granting approvals to the issue and which may be acceptable to the Board and to decide the Basis of Allotment and to settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities or on conversion of said Securities into Shares or on issue of Shares against such Securities.

Resolved further that the Board be and is hereby authorized to take all necessary actions to give effect to this resolution and to delegate to a Committee of Directors or any one of the Director, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by Law.”

For and on Behalf of the Board
For **MAGNUM VENTURES LIMITED**

Sd/-
PRADEEP KUMAR JAIN
Managing Director

Date : 13th August, 2010
Place : New Delhi

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Notes:

- A. Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2010 to Friday, 17th September, 2010 (both days inclusive) for the purpose of the AGM.
- F. Address Change Intimation:** Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Mas Services Ltd.
- G. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 to 9 is enclosed herewith.
- I.** The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the annexure to the Notice.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 6 & 8:

Mr Abhey Jain was appointed as an additional Director of the Company in the Board meeting held on 10th December, 2009 to hold office until the date of ensuing annual general meeting. Brief details of Mr Abhey Jain are given in the report on Corporate Governance, which is enclosed with the Directors' Report.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Abhey Jain for the office of Director of the Company in the ensuing AGM.

Mr Abhey Jain has been working as a Manager of the Company since January, 2007. He has made enormous contribution and full hearted efforts for the growth of the Company. Therefore, The Board of directors has also appointed him as whole Time director of the Company. Accordingly, the resolutions are placed before the members for their consideration and approval for his appointment as Director and Whole Time Director.

The Board recommends the resolutions as set out under item No. 6 & 8 for members approval in the larger interest of the Company.

Mr Praveen Kumar Jain, Mr Pradeep kumar Jain, Mr Parmod Kumar Jain, Mr Vinod Kumar Jain and Mr Abhey Jain are interested and concerned at item nos. 5 of the notice.

The explanatory statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr Abhey Jain, whole time Director and memorandum of interest of Directors u/s 302 of the Companies Act, 1956.

Item No. 7

Mr Shri Krishan Jain was appointed as an additional Director of the Company in the Board meeting held on 15th February, 2010 to hold office until the date of ensuing annual general meeting. Brief details of Mr Shri Krishan Jain are given in the report on Corporate Governance, which is enclosed with the Directors' Report.

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The Board is proposing to appoint him as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Shri Krishan Jain for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr Shri Krishan Jain himself is interested and concerned in the proposed resolution.

Item No.9

The Company has proposed to make a rights issue of shares with a view to improve the debt equity ratio of the Company. Approval of the members is sought under section 81 of the Companies Act, 1956 and other applicable provisions, for further issue of shares or any other securities of the Company.

The present Authorized Share Capital of the Company would be sufficient for further issue of shares.

Your directors recommend the resolution for adoption by members of the Company.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolution except to the extent of shares held by them or their relatives.

For and on Behalf of the Board
For **MAGNUM VENTURES LIMITED**

Date : 13th August, 2010

Place : New Delhi

Sd/-
PRADEEP KUMAR JAIN
Managing Director

Sd/-
PRAVEEN KUMAR JAIN
Managing Director

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DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present the 30th Annual Report of the company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2010 for your consideration and approval.

COMPANY'S PERFORMANCE

Your Company's performance during the year 2009-10 is summarized below:

FINANCIAL HIGHLIGHTS

(Amount in Lacs)

Particulars	Financial Year ended 31st March, 2010	Financial Year ended 31st March, 2009
Total Income	13407.31	11319.24
Total Expenditure	16355.04	11449.20
Loss/Profit before tax	(2947.74)	(129.96)
Provision for tax	Nil	Nil
Provision for FBT	Nil	0.75
Income Tax for Earlier Years	0.08	4.10
Provision for Deferred Tax Liabilities	(1021.39)	(45.53)
Profit/Loss after tax	(1926.43)	(89.27)
Balance b/f from Last Year	2656.49	2745.76
Balance Carried to Balance Sheet	730.06	2656.49
Transfer to Reserve	—	—
Paid-up Share Capital	3760.19	3760.19
Reserves and Surplus (excluding revaluation reserve)	4597.88	6524.31

YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 13407.31 lacs as against Rs. 11319.24 lacs in the previous year. The Company has incurred a loss of Rs. 2947.74 lacs for the year as against a loss of Rs. 129.96 lacs. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

MATERIAL CHANGES AFTER THE CLOSE OF THE FINANCIAL YEAR

The Company is proposing to come up with a rights issue and the approval for the same has been sought from the members of the Company. Save as mentioned here in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company on 31st March, 2010 and the date of this Report.

DIVIDEND

The Company was able to increase its turnover by more than 10% inspite of recession in the Market during the year. Due to heavy interest on Loans taken by the Company for its projects, which is increased by more than two times of the previous year and depreciation, the Company has suffered losses. In view of the aforesaid facts, your Directors regret their inability to recommend any dividend for the financial year ended 31st March 2010.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

The Company is aware about energy consumption and environmental issue related to it and is continuously making sincere efforts towards conservation of energy. The Company is in fact engaged in the continuous process of further energy conservation through improved operational and maintenance practices. Information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure A, forming part of this Report

B. Technology Absorption:

The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The Company is using indigenous technology, which is well established, in the Country. Research & Development is being carried out on routine basis. However, specific R&D expenditure is not allocated.

C. Foreign exchange earnings and outgo:

i. **Export Activities:** During the year under review the Company have made Import/Export as given in (ii) below.

ii. **Foreign Exchange Earnings and Outgo:** (Amount in Rs Lacs)

Total Foreign Exchange Inflow	85.09
Total Foreign Exchange outflow	1424.63

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

DIRECTORS

After the last Annual General Meeting, Mr. Satyendra Prasad Singh, Mr Suresh Jain and Mr Paritosh Kumar Jain resigned from the Board. Mr Shri Krishan Jain was appointed as an Additional Director on the Board w.e.f 15th February, 2010, Mr. Abhey Jain was appointed as an Additional Director and Whole Time Director on 10th December 2009 and Mr. Mohd Shahid Aftab was appointed as Nominee Director by the Banks on 28th December, 2009. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. Their appointment as an ordinary director of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Rakesh Garg, Mr Naveen Jain and Mr Vinod kumar Jain are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

AUDITORS

M/s Sunil K Mittal & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

AUDITORS' REPORT

Comments made by the Statutory Auditors in the Auditors' Report are self- explanatory and do not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

a. in preparation of the annual accounts, the applicable accounting standards have been followed;

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- b. 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 of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

STOCK EXCHANGE LISTING

The shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The listing fee for the financial year 2010-11 has already been paid to the Bombay Stock Exchange and National Stock Exchange.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **MAGNUM VENTURES LIMITED**

Date : 13th August, 2010
Place : New Delhi

Sd/-
PRADEEP KUMAR JAIN
Managing Director

Sd/-
PRAVEEN KUMAR JAIN
Managing Director

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FORM A

(See Rule 2)

Form for Discloser of particulars with respect to Conservation of Energy.

A. POWER AND FUEL CONSUMPTION

1. Electricity

a. Purchased

	Current Year 2009-10		Previous Year 2008-09
	Hotel Division	Paper Division	
Unit	4189271	Nil	Nil
Total Amount (In INR)	2,12,41,033/-	Nil	Nil
Rate Per Unit	5.07	Nil	Nil
* Power Connection Surrendered			

b. Particulars

	Current Year 2009-10		Previous Year 2008-09
	Hotel Division	Paper Division	
Through Generator/Turbine			
Unit	1273787	42348589	38263667
Unit per Ltr.of Fuel	3.038	3.00	3
Cost/Unit (In INR)	12.82	2.09	2.96

Coal/ (Used for production of Paper) Particulars

	Current Year 2009-10	Previous Year 2008-09
Quantity	32323.28 MT	26027.24 MT
Total Cost	1058.48 Lacs	852.80 Lacs
Average Rate	3274.67 MT	3276.58 MT

Fuel other than Coal (Used for production of Paper) Particulars

	Current Year 2009-10	Previous Year 2008-09
Quantity	216 KL	1381.10 MT
Total Cost	66.01 Lacs	336.26 Lacs
Average Rate	30558.11 KL	24346.99 MT

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars

	Current Year 2009-10	Previous Year 2008-09
Production Kg.	63930143	60923672
Fuel/Electricity	1.32 per /kg.	1.11 per/kg.
Coal	1.66 per/kg.	1.40 per/kg.

FORM B

(See Rule 2)

Form for Discloser of particulars with respect to absorption

Expenses on Research and development NIL

Technology absorption, adoption and innovation NIL

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REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standard to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility, Magnum Ventures Ltd adopts and adheres to the best recognized corporate governance practices and continuously strives to better them.

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate.

2. BOARD OF DIRECTORS

As on March 31, 2010, the Company had total 10 (Ten) directors on the Board. Mr Praveen Kumar Jain & Mr Pradeep Kumar Jain are the Managing Directors of the Company and Mr Parmod Kumar Jain, Mr. Vinod Kumar Jain and Mr Abhey Jain are the Whole Time Directors of the Company. Mr Mohd Shahid Aftab is a nominee Director on the Board appointed by the Punjab National Bank.

The composition of the Board is in conformity with the clause 49 of the listing Agreement.

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr. Praveen Kumar Jain Chairman & Managing Director	Executive & Non Independent	1	Nil	Nil
Mr. Pradeep Kumar Jain Managing Director	Executive & Non Independent	Nil	Nil	Nil
Mr. Parmod Kumar Jain Whole-Time Director	Executive & Non Independent	Nil	Nil	Nil
Mr. Vinod Kumar Jain Whole-Time Director	Executive & Non Independent	Nil	Nil	Nil
Mr. Satyendra Prasad Singh* Whole-Time Director	Executive & Non Independent	Nil	Nil	Nil
Suresh Jain**** Director**	Non Executive & Independent	Nil	Nil	Nil
Mr. Paritosh Kumar Jain Director***	Non Executive & Independent	Nil	Nil	Nil
Mr Rakesh Garg Director	Non Executive & Independent	Nil	Nil	Nil
Mr Naveen Jain Director	Non Executive & Independent	Nil	Nil	Nil
Subhash Oswal Director	Non Executive & Independent	1	Nil	Nil
Abhey Jain****	Executive & Non Independent	Nil	Nil	Nil
Mohd. Shahid Aftab*****	Non Executive & Independent	4	Nil	Nil
Shri Krishan Jain*****	Non Executive & Independent	Nil	Nil	Nil

*Resigned from the Board of Directors w.e.f. December 3rd 2009.

**Resigned from the Board of Directors w.e.f. December 25th 2009

***Resigned from the Board of Directors w.e.f. February 9th 2010

****Appointed as whole time Director on December 10th 2009

*****Appointed as Nominee Director on December 28th 2009

*****Appointed as Additional Director on February 15th 2010

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Directors' Attendance Record

During the Financial Year 2009-10, 14 (fourteen) meetings of the Board of Directors were held on 04.04.2009, 22.04.2009, 22.05.2009, 30.06.2009, 31.07.2009, 31.08.2009, 25.09.2009, 30.10.2009, 16.11.2009, 10.12.2009, 28.12.2009, 04.01.2010, 30.01.2010 and 15.02.2010. The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2009-10 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Praveen Kumar Jain	14	2	Yes
Mr. Pradeep Kumar Jain	14	14	Yes
Mr. Parmod Kumar Jain	14	14	Yes
Mr. Vinod Kumar Jain	14	14	Yes
Capt. Surender Pal Chaudhary*	14	2	No
Mr Rakesh Garg**	14	12	No
Mr Naveen Jain**	14	12	No
Mr Subhash Oswal	14	14	Yes
Mr. Satyendra Prasad Singh***	14	9	Yes
Mr Suresh Jain****+	14	10	Yes
Mr. Paritosh Kumar Jain*****	14	NIL	NO
Mr Abhey Jain#	14	5	NA
Mr Mohd Shahid Aftab@	14	1	NA
Mr Shri Krishan Jain @@	14	NIL	NA

*Resigned from the Board of Directors w.e.f. 22nd May 2009

** Appointed as additional directors w.e.f 22nd May 2009

*** Resigned from the Board of Directors w.e.f. December 3rd 2009.

****Resigned from the Board of Directors w.e.f. December 25th 2009

*****Resigned from the Board of Directors w.e.f. February 9th 2010

#Appointed as whole time Director on December 10th 2009

@Appointed as Nominee Director on December 28th 2009

@@ Appointed as Additional Director on February 15th 2010

Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr Abhey Jain and Mr Shri Krishan Jain were appointed as additional directors by the Board of Directors in their meeting held on 10th December, 2009 and on 15th February, 2010 respectively. Mr Rakesh Garg and Mr Naveen Jain and Mr Vinod Kumar Jain, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr Abhey Jain	Mr Shri Krishan Jain	Mr Vinod Kumar Jain	Mr Rakesh Garg	Mr Naveen Jain
DIN	01876385	00365462	01140128	02683693	02683890
Father's Name	Vinod Kumar Jain	Gopi Ram Jain	Salek Chand Jain	Ishwar Chand	Shikhar Chand Jain
Date of Birth	03.09.1973	01.04.1954	15.01.1949	18.02.1964	15.03.1962
Address	4326/3, Ansari Road Daryaganj New Delhi	30, Kapil Vihar Pitampura New Delhi-110054	4326/3, Ansari Road Daryaganj New Delhi	B175 Sf - B-Block Ashok Vihar Ph-I Delhi-110052,	B-2/46, B-2 Block Ashok Vihar Ph-II Delhi-110052

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Particulars	Mr Abhey Jain	Mr Shri Krishan Jain	Mr Vinod Kumar Jain	Mr Rakesh Garg	Mr Naveen Jain
Designation	Whole Time Director Independent Director	Non-Exe. &	Whole Time Director	Director	Director
Education	B.A.	B.com & FCA	B.A.	B.Com	B.Com
Experience	16 years	15 years	27 years	32 yrs	36 yrs
Companies in which holds Directorship	NIL	1	Nil	Nil	Nil
Companies in which holds membership of committees	NIL	NIL	Nil	Nil	Nil
Shareholding in the Company (No.&%)	0.80%	NIL	1.21%	Nil	Nil

3. AUDIT COMMITTEE

(a) Terms of Reference

The terms of reference of the Audit Committee, as defined by the Board of Directors in their meeting held on 15th December, 2006, is to comply with the requirements of section 292 A of the Companies Act and Clause 49 of the listing agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- i. To review financial reporting process, all financial statements.
- ii. To recommend appointment/ re-appointment/ replacement/ removal/ Audit fees/ any other fees of Statutory Auditor.
- iii. Reviewing along with management, the listing compliances, related party disclosures, qualifications in draft audit report, matters required to be included in Directors Responsibility Statement, quarterly financial statements before its submission to the Board, changes in accounting policies, major accounting entries based on estimate of management.
- iv. To look into all matters relating to internal control system, internal audit system and the reasons for substantial defaults in the payment to the depositors.
- v. To review functioning of "Whistle Blower Mechanism", if any.
- vi. To review Management Discussion and Analysis of financial condition and results of operation, statement of significant Related Party Transactions as submitted by management, internal audit report, term of chief internal auditor (including his remuneration).

(b) Composition

After the resignation of Mr Dinesh Kumar Mathur and Capt S P Chaudhary, the Audit Committee was reconstituted on 22nd May, 2009 comprising the following directors:

1. Mr Paritosh Kumar Jain - Chairman (Independent Director)
2. Mr Rakesh Garg - Member (Independent Director)
3. Mr Naveen Jain – Member (Independent Director)

However Mr. Paritosh Kumar Jain resigned from the Board on 9th February 2010. Consequently, the Audit Committee was reconstituted on 15th February 2010 comprising the following Directors:

1. Mr Shri Krishan Jain- Chairman (Independent Director)
2. Mr Rakesh Garg - Member (Independent Director)
3. Mr Naveen Jain – Member (Independent Director)

Mr Sanjeev Kumar Agarwal was the Secretary of the committee. However, he resigned from the Company w.e.f. 07th October 2009.

Presently Mr Ramesh Chander is the Secretary of the committee w.e.f. 16th November, 2009

(c) Powers of Audit Committee

- i) To investigate any activity within its terms of reference.

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- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(d) Attendance

The Committee met six (6) times during the Financial Year 2009-2010 on the following dates: 04.04.2009, 22.05.2009, 30.06.2009, 30.07.2009, 30.10.2009 and 30.01.2010. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Paritosh Kumar Jain Chairman	Non Executive Independent Director	6
Mr Dinesh Kumar Mathur	Non Executive Independent Director	NIL
Capt. Surender Pal Chaudhary	Non Executive Independent Director	1
Mr Rakesh Garg	Non Executive Independent Director	5
Mr Naveen Jain	Non Executive Independent Director	5

(e) Review of information by Audit Committee

The Audit Committee has reviewed the following information during the year:

- i) Management Discussion and Analysis of financial condition and results of operations of the Company.
- ii) The reports of Statutory Auditors.
- ii) The reports of Internal Audit.

4. REMUNERATION COMMITTEE

(a) Terms of Reference

The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

(b) Composition

After the resignation of Mr Dinesh Kumar Mathur and Capt S P Chaudhary, the remuneration Committee was reconstituted on 22nd May, 2009 comprising the following directors:

- a. Mr Paritosh Kumar Jain - Chairman (Independent Director)
- b. Mr Rakesh Garg - Member (Independent Director)
- c. Mr Naveen Jain – Member (Independent Director)

However Mr. Paritosh Kumar Jain resigned from the Board on 9th February 2010. Consequently, the remuneration Committee was reconstituted on 15th February 2010 comprising the following Directors:

- a. Mr Shri Krishan Jain- Chairman (Independent Director)
- b. Mr Rakesh Garg - Member (Independent Director)
- c. Mr Naveen Jain – Member (Independent Director)

Mr Sanjeev Kumar Agarwal was the Secretary of the committee. However, he resigned from the Company w.e.f. 07th October 2009.

Presently Mr Ramesh Chander is the Secretary of the committee w.e.f. 16th November, 2009

(c) Attendance

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

No meeting of the Remuneration Committee was held during the year.

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(d) Remuneration Policy of the Company

The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Non-Executive Directors during the financial year 2009-10 except sitting fee for attending Board and committee meetings. Also, all the Executive Directors expressed their willingness to not to take any remuneration from the Company. Therefore, the Board of Directors had decided to not to pay any remuneration to any of the Executive directors.

(e) Details of the Executive Directors' Remuneration for the financial year ended 31st March, 2010

Name of Director	Salaries & Perquisites (In Rs.)	Commision, Bonus Exgratia	Actual Amount (In Rs.)	No. of Shares held & %
Mr Praveen Kumar Jain Managing Director	Nil	Nil	Nil	16648510(44.27)
Mr Pardeep Kumar Jain Managing Director	4,20,000	Nil	2,10,000	200650(0.53)
Mr Vinod Kumar Jain Whole Time Director	4,20,000	Nil	2,10,000	456850(1.21)
Mr Parmod Kumar Jain Whole Time Director	4,20,000	Nil	2,10,000	200150(0.53)
Mr Satyendra Prasad Singh Whole Time Director	5,04,000	Nil	3,36,000	Nil
Mr Abhey Jain Whole Time Director	2,16,000	Nil	54,000	302600(0.80)

5. INVESTORS' GRIEVANCE COMMITTEE

(i) Terms of Reference:

In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an "Investors' Grievance Committee" to look into redressing the shareholders and investors' complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(ii) Composition:

After the resignation of Mr Dinesh Kumar Mathur and Capt S P Chaudhary, the Investors' Grievance Committee was reconstituted on 22nd May, 2009 comprising the following directors:

1. Mr Paritosh Kumar Jain - Chairman (Independent Director)
2. Mr Rakesh Garg - Member (Independent Director)
3. Mr Naveen Jain – Member (Independent Director)

However Mr. Paritosh Kumar Jain resigned from the Board on 9th February 2010. Consequently, the Investors' Grievance Committee was reconstituted on 15th February 2010 comprising the following Directors:

1. Mr Shri Krishan Jain- Chairman (Independent Director)
2. Mr Rakesh Garg - Member (Independent Director)
3. Mr Naveen Jain – Member (Independent Director)

Mr Sanjeev Kumar Agarwal was the Secretary of the committee. However, he resigned from the Company w.e.f. 07th October 2009.

Presently Mr Ramesh Chander is the Secretary of the committee w.e.f. 16th November, 2009

- (iii) Mr. Ramesh Chander is the Compliance Officer of the Company for this purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

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(iv) During the year, the company received No complaint from the shareholders. There was no pending complaint from any shareholder as on 31st March 2010.

(v) Attendance

The Committee met five (5) times during the Financial Year 2009-2010 on the following dates: 09.04.2009, 08.07.2009, 07.10.2009, 02.12.2009 and 20.01.2010. Details of attendance of Directors in the Investors' Grievance Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Paritosh Kumar Jain Chairman	Non Executive Independent Director	5
Mr Dinesh Kumar Mathur	Non Executive Independent Director	NIL
Capt. Surender Pal Chaudhary	Non Executive Independent Director	1
Mr Rakesh Garg	Non Executive Independent Director	4
Mr Naveen Jain	Non Executive Independent Director	4

6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2007	31.05.2007	"Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi 110 002	10.00 A.M.	Nil
2008	27.08.2008	Shri Purushottam Hindi Bhavan, 11, Vishnu Digambar Marg, (Raus Avenue), New Delhi 110 002	11.30 A.M.	1
2009	29.09.2009	Gayatri Hall, Lok Kala Manch 20, Lodhi Road Institutional Area Lodhi Road, New Delhi-110003	3:30 P.M	Nil

No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot at present.

7. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are set out in separate statement annexed to Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

(b) Non-compliance by the Company, Penalties, Strictures

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

8. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

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Declaration on compliance with code of conduct by the Managing Director:

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company – www.magnumventures.in

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-

Pradeep Kumar Jain
Managing Director

9. MEANS OF COMMUNICATION

- (a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.
- (b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.
- which newspaper normally published in Financial Express(English) & Jan Satta (Hindi)
 - Any website where displayed Yes – www.magnumventures.in
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
Friday, 17th September, 2010	02:30 P.M.	Lok Kala Manch 20, Lodhi Road Institutional Area Lodhi Road, New Delhi-110003

ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30th June, 2010	13th August, 2010 (actual)
Financial Reporting for the second quarter ending 30th September, 2010	2nd Week of November, 2010
Financial Reporting for the third quarter ending 31st December, 2010	2nd Week of February, 2011
Financial Reporting for the fourth quarter ending 31st March, 2011	2nd Week of May, 2011

- iii) **Dates of Book Closure** 14th September 2010 to 17th September 2010
(Both days inclusive)
- iv) **Dividend Payment Date** Not applicable
- v) **Listing on Stock Exchanges** The Shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange.
- vi) **Stock Code/ Symbol** 532896 at the Bombay Stock Exchange
MAGNUM at the National Stock Exchange
- vii) **Market Price Data:** High/ low of market price of the Company's equity shares traded on BSE during the last financial year were as follows:

Year	High	Low	Volume
April 09	7.80	5.20	2148171
May 09	11.55	6.15	4746014
June 09	13.00	7.52	8901089
July 09	10.40	6.70	1735532
Aug 09	10.58	8.20	5185174

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Year	High	Low	Volume
Sep 09	14.14	7.50	32575723
Oct 09	11.87	7.99	3729467
Nov 09	9.29	7.87	2861797
Dec 09	9.20	8.21	2554955
Jan 10	12.60	8.42	12380945
Feb 10	9.80	8.42	2049047
March 10	9.37	8.00	2784477

Source: www.bseindia.com

High / low of market price of the Company's equity shares traded on NSE during the last financial year were as follows:

Year	High	Low	Volume
April 09	7.80	5.65	385422
May 09	11.90	6.60	720688
June 09	13.15	7.35	810329
July 09	11.20	9.60	439673
Aug 09	10.55	8.10	675671
Sep 09	14.25	8.70	5095123
Oct 09	11.90	11.00	120360
Nov 09	9.15	8.10	155602
Dec 09	9.00	8.30	389568
Jan 10	12.20	8.70	1029451
Feb 10	9.25	8.35	55191
March 10	9.45	8.00	338036

Source: www.nseindia.com

viii) Registrar and Share Transfer Agent & Share Transfer System

Mas Services Ltd is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Share Transfer Committee will approve the transfer of shares. After receipt of approval of transfer proposals by the transfer Committee, transfer agent shall endorse on the back of the certificates authenticating the transfer of shares in the name of transferees. However, the Company has not authorised the transfer agent for endorsement of shares. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Mas Services Ltd
Contact Person	Mr Sharwan Mangla
Address	T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020
Telephone No.	011-2638 7281
Fax No.	011-2638 7384
E-Mail	info@masserv.com

The Company's shares are traded in the Stock Exchange, Mumbai compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

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ix) Distribution of Shareholding as on 31st March 2010:

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to 5,000		11013	71.240	2,39,46,460	6.368
5,001	10,000	2187	14.147	1,93,65,020	5.150
10,001	20,000	1108	7.167	1,77,59,370	4.723
20,001	30,000	405	2.620	1,08,92,860	2.897
30,001	40,000	146	0.944	53,99,490	1.436
40,001	50,000	191	1.236	92,34,460	2.456
50,001	1,00,000	209	1.352	1,60,37,450	4.265
1,00,001 and Above		15489	1.294	27,33,83,730	72.705
Total			100	37,60,18,840	100

x) **Dematerialisation of shares and liquidity:** As on 31st March 2010 about 46.92% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xi) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

xii) **Plant Locations:** The Company has the following two units located at:

Paper Unit: Plot No. 18/41,
Site-IV, Industrial Area,
Sahibabad, Ghaziabad 201 010
Uttar Pradesh

Hotel Unit: 64/3,4,5&6
Site-IV, Industrial Area,
Sahibabad, Ghaziabad 201 010
Uttar Pradesh

xiii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Corporate Office: Magnum Ventures Ltd
Plot No. 18/41,
Site-IV, Industrial Area,
Sahibabad, Ghaziabad 201 010
Uttar Pradesh
Phone: 0120- 4199200 (100 lines)
Fax: 0120- 4199234
e-mail: magnumventures@gmail.com

11. NON-MANDATORY REQUIREMENTS

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

CEO/CFO Certification

I, Praveen Kumar Jain, Managing Director, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

Praveen Kumar Jain
Managing Director

Date : 13th August, 2010

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Magnum Ventures Ltd

We have examined the compliance of conditions of Corporate Governance by MAGNUM VENTURES LIMITED, for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrars, other than those which are a subject matter of litigation.

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

For R&D
Company Secretaries

Sd/-
ANURADHA AGGARWAL
Partner

Date : 13th August, 2010
Place : New Delhi

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT

The management Discussion and Analysis Report may contain certain statements expressing expectations and assumptions of future events that might be considered forward looking. These statements are subject to certain risks and uncertainties. The Company does not in any way guarantee that these expectations or assumptions will be accurate or realized. Actual results may differ materially from those projected in these forward looking statements. Important factors that could make a difference to the Company's operations include among others such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

OVERVIEW

The company is in the business of hotel and paper manufacturing.

INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK

PAPER INDUSTRY

The paper industry has been witnessing a churn in the global market place. And, this has more to do with economic maturity, end usage behavior and technology penetration than the economic slowdown seen in 2008-09. In terms of growth, India is one of the fastest growing markets. Paper Consumption in India is close to 8.6 million MTPA. The market size is expected to double by 2015 and increase to 20 million MT by 2020.

In Indian context, Economic growth continues to drive up paper consumption. There have been several structural changes in the economy that accompany the impressive growth witnessed in the last 5-6 years. These include greater urbanization, increase in disposable incomes and changing consumer behavior, greater penetration of education, print and media, demographic transformation towards a younger population and a shift in lifestyle that inculcates more aspirations. However, market maturities are different. In the urban centres, there is a growth in demand for coated and copier paper and in lower segments, there is demand for better quality maplitho. In this milieu, there is growing need to carefully target all the different consumer segments with the right value propositions.

HOTEL INDUSTRY

Under the influence of an extremely volatile world economy resulting in global economic recession, tourism industry was slowed significantly during the last year. The Financial Year 2009-10 saw a little bit growth over the financial year 2008-09. Even though India is facing challenges with regard to economic slowdown and security concerns, the tourism industry in India is sustaining and developments in the sector is taking place at a faster pace.

In the future, It is expected that India tourism industry will be generating a revenue of \$42.8 billion by 2017. The hospitality sector is expected to rise to US\$ 275 billion in the next 10 years. The domestic hospitality sector is expected to see investments of over US\$ 11 billion in the next two years with 40 international hotel brands making their presence in the country in the next few years.

The expected rise in demand over the next 2-3 years would be largely due to factors such as India's popularity as a tourist destination, strong economic fundamentals, a continued interest from multinationals and a steady growth in domestic travelers (both business and leisure).

OPPORTUNITIES & THREATS

PAPER INDUSTRY

Paper Industry in India is riding on a strong demand and on an expanding mood to meet the projected demand of 17 million tones by 2015 & 20 million tones by 2020. However, the Indian Government's policy for the paper industry lacks perspective. It is necessary that the Government come up with a clear policy on pulpwood plantations that can benefit the paper industry in terms of introducing more virgin fiber into the fiber basket. In the face of fierce global competition, sustenance of industry with only agro-based raw materials and recycled fiber will be very difficult to achieve. The Government also needs to create a more conducive atmosphere for investment into this sector.

In the medium term, the strength of any firm in this industry is however expected to come from throughout supply chain from raw material to packaging production and delivery.

Whilst this is a capital-intensive industry, the current structure of depreciation tax shields, finance (interest) costs and relatively short-term repayment horizons places severe limitations on fresh investments.

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At the prevailing ratio of input costs and input services to sales value, the recent reduction in domestic excise duty on paper, has eliminated the scope to set-off CENVAT credits on Capital Goods against output taxes on sales. This phenomenon has effectively increased the project cost on expansion and new green-field investments. At the same time, the continuous reduction of import tariffs keeps margins under pressure.

The absence of large-scale investments and green field projects in a rapidly growing economy with one of the lowest per capita paper consumption rates is testimony to this situation.

HOTEL INDUSTRY

The Government of India has launched 'Incredible India' campaign to lure the foreign investors in Indian Tourism industry and it has emerged as a huge opportunity for real-estate investors and hoteliers across all segments including luxury and heritage, mid-market and budget hotels. The Government is also offering attractive packages to foreign tourists and has organised road shows in major markets such as the UK, Canada, Australia, Singapore and Malaysia. The Ministry has also increased financial support to tour operators for promoting India in international exhibitions.

To strengthen the Indian tourism sector ahead of the Commonwealth Games in 2010 and to double foreign tourist arrivals from 5.37 million in 2008 to 10 million by 2010, the Ministry is taking measures such as rationalising taxes, increased focus on infrastructure and easy visas. All these government initiatives emerge as great opportunities for the investment in Tourism Industry. There are good prospects in the long run. As international hotel chains are aware of this fact they are rushing in to India with new projects and developments in the tourism sector.

However, the industry is primarily capital intensive coupled with depreciation costs on the buildings, furniture, fixtures and equipment and other assets.

The hotel industry is also cyclical due to the nature of capacity additions being lumpy while the demand growth is smooth. The business largely depends upon the external environment and in general is sensitive to fluctuations in the economy and in times of a down turn in the economy, the business will get adversely affected. This factor also plays a key role in determining the investment in this sector.

RISKS & CONCERNS

Competition is inevitable in any line of business and the Company has been coping with competitions in the past by focusing its products, canalizing its sales through dedicated dealers, managing raw materials, fuel and technological changes. The same would be continued in future also. In the highly competitive industry, the Company follows a competitive approach, which is not just limited to manufacturing process but also extended across entire operations. Moreover, with the up gradation and modernization, the Company can take advantage of the swing capacity to manufacture either newsprint or writing & printing paper. The Company extends the quality management responsibility from the quality control department to every member on the shop floor.

The hotel industry is typically impacted by various variables such changes in the world economy, Indian economy, changes in local laws, excessive supply of hotel rooms, reduction in demand for rooms, industry competition etc. All or any of this could lead to a downturn in the hotel industry.

However, management is hoping that the upcoming Commonwealth Games, brand name of Carlson, prime location of the Hotel is going to help in flourishing the hotel business of the Company.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all transactions are authorized, recorded and reported correctly and adequately.

These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

AUDITOR'S REPORT

The Members of

MAGNUM VENTURES LIMITED

(Previously Known as Magnum Papers Limited)

We have audited the attached Balance Sheet of MAGNUM VENTURES LIMITED (Previously Known as Magnum Papers Limited) as at 31.03.2010 and also the Profit and Loss account and the cash flow statement for the period 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 standard 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 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 Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that

- (i) 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.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as, appears from our examination of the books;
- (iii) The Balance Sheet, profit and loss account and cash flow statement dealt by this report are in agreement with the books of account;
- (iv) In our opinion, Subject to Note 12 of Schedule XIX regarding non compliance with Accounting Standard – 15 in respect of Employee benefits issued by Institute of Chartered Accountants of India, the Balance Sheet and the 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 Company Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to explanation 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 in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March , 2010;
 - b) in the case of Profit & Loss Account, of the Loss for the period ended on 31st March 2010; and
 - c) in the case of the cash flow statement, of the cash flows for the period ended on 31st March 2010.

For SUNIL K. MITTAL & CO.,
CHARTERED ACCOUNTANTS
Firm Reg No 008524N

Sd/-
(S.K. JAIN)
Partner
Mem No 84125

Place : New Delhi
Dated : 29/05/2010

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

Annexure to Auditor's Report

MAGNUM VENTURES LIMITED

(Previously Known as Magnum Papers Limited)

AUDITOR'S REPORT UNDER CARO 2003 FOR THE YEAR ENDED 31.3.2010

- i) In respect of its fixed assets:
- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - The management at reasonable intervals has physically verified all the fixed assets. As reported to us, by the management, no material discrepancy was noticed on such verification.
 - According to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the company during the year & the going concern status of the company is not affected
- ii) In respect of its inventories:
- The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - On the basis of our examination of the records of inventory, in our opinion the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.
- iii) a) The company has taken unsecured loan from the parties listed in the register maintained under section 301 of the Companies Act 1956 & has provided interest @ 6 % p.a. except to Sh Praveen Jain & Smt. Priyanka Jain on which no interest has been paid.

S.No.	Name	Amount of Loan taken	Maximum amount o/s	Closing balance (cr.)
1	Abhay jain	218848.00	1964471.74	1889182.74
2	Abhay jain HUF	142097.00	2449027.51	2449027.51
3	Asha jain	147495.00	2539733.69	2539733.69
4	Monika jain	104902.00	156574.95	77654.95
5	Pardeep jain	249217.00	1066020.53	980905.53
6	Parmod jain	302898.00	336183.28	64927.28
7	Parveen jain	51293627.00	204486824	204136824
8	Ritesh jain	218308.00	1950612.62	1888362.62
9	Salek chand jain HUF	147305.00	2538793.41	2538793.41
10	Salek chand jain	213943.00	3744161.76	3538529.76
11	Veena jain	178699.00	3068259.58	3068259.58
12	Vinod jain	221999.00	593749.17	520951.17
13	Shilpi Jain	99471.00	1714380.00	1714380.00
14	Vinod jain HUF	129940.00	2239507.79	2239507.79
15	Rita jain	79899.00	1374553.77	1374553.77
16	Pardeep jain (HUF)	110456.00	1903692.32	1903692.32
17	Parmod jain (HUF)	129804.00	2237165.90	2237165.90
19	Rishab jain	265854.00	2137583.21	2137583.21
20	Parv jain	97698.00	1683814.00	1683814.00

- b) The Company has not granted unsecured loan to parties covered under section 301 of the Companies Act 1956.

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

- c) Being the term of repayments have not been stipulated, we are unable to comment whether the repayment of principal amount is regular or not.
- d) Being the term of repayments have not been stipulated, we are unable to comment whether there is any due amount of more than one lacs rupees or not.
- iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of the business for the purchase of Inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been information of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

- v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered.

The company has not entered into any transaction exceeding Rs. 5 lacs in respect of any party hence further reporting is not applicable for the company

- vi) The company has not accepted any deposit in terms of section 58A, 58 AA or any other relevant provisions of the Companies Act, 1956.
- vii) In our opinion the company is having an adequate internal audit system, commensurate with its size and nature of the business.
- viii) The Central Govt. has prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, in respect of the Paper products of the company & company has maintained accounting records as prescribed. We have relied upon the certificate issued by the cost accountant in this regard.

- ix) In respect of statutory dues:

According to the records of the company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service tax, Sales Tax, Custom Duty, and Excise Duty were in arrears, as at 31.03.2010 for a period more than six months from the date, they became payable.

According to information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute subject to the following:

Name of the statute	Name of the dues	Amount (in Rs)	Period to which the amount relate	Status/ Forum where dispute is pending
CST	Trade Tax	Rs.617083/-	1996-1997	Allahabad High Court has granted stay on 08.01.2004
Custom & Central Excise	Cenvat Credit	Rs. 828510/-		Custom & Central Excise Deptt has filed appeal in Allahabad High Court.
	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise
Income Tax Act, 1961	Income Tax	9.98 crores	2007-08	CIT(Appeals)

- x) In our opinion there is no accumulated loss of the company. The company has not incurred any cash losses during the period covered by our audit and the immediately preceding financial year.
- xi) According to the records of the company examined by us and the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution or Bank.

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, so the question of maintenance of records does not arise.
- xiii) In our opinion, the company is not a chit fund or nidhi/mutual benefit fund society. Hence this clause is not applicable to the Company
- xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not Applicable to the Company
- xv) According to the information and explanations give to us, the company has not given any guarantee for loans taken by others form bank or financial institutions.
- xvi) Based on the information and explanation given to us and on an overall examination of balance sheet of the company, in our opinion, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance –sheet of the Company, we report that no funds raised on the short-term basis have been used for the Long term Investment
- xviii) There were no preferential allotment of shares to parties and companies covered in the registered maintained U/S 301 of the Act; hence this clause is not applicable
- xix) As the company has not issued any debenture this clause is not applicable
- xx) During the year the company has not raised any money from the public issues hence this clause is not applicable
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For SUNIL K. MITTAL & CO.,
CHARTERED ACCOUNTANTS
Firm Reg No. 008524N

Sd/-
(S.K. Jain)
Partner
Mem No 84125

Place : New Delhi
Dated : 29/05/2010

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)***BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	Schedule No.	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
I. SOURCES OF FUNDS			
(1) SHARE HOLDER'S FUNDS			
(a) Share Capital	I	376018840.00	376018840.00
(b) Reserve & Surplus	II	459787789.04	652430617.31
(2) LOAN FUNDS			
Secured Loans	III	2609369861.01	2325686265.410
Unsecured Loan	IV	239575598.13	189392872.13
(3) DEFERRED TAX LIABILITIES (Asset)			
		13717697.00	115856808.00
	TOTAL	3698469785.18	3659385402.85
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
	V		
(a) Gross Block		3909825476.33	2610307559.23
(b) Less:-Depreciation		861987387.79	650217516.58
(c) Capital Work in Progress (Including Capital Advances)		3409843.53	1241408822.02
(d) Net Block		3051247932.07	3201498864.67
(2) CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	VI	166891882.58	100742322.00
(b) Sundry Debtors	VII	458959547.45	460162953.30
(c) Cash & Bank Balance	VIII	7472778.42	11705318.10
(d) Loans & Advances	IX	133322118.26	85066618.76
	TOTAL	766646326.71	657677212.16
Less: Current Liabilities & Provision	X	119678077.60	200044277.98
Net Current Assets		646968249.11	457632934.18
(3) MISCELLANEOUS EXPENDITURE			
	XI	253604.00	253604.00
	TOTAL	3698469785.18	3659385402.85
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES			
	XIX		

As per our report of even date

For and on behalf of the Board of Directors

For **SUNIL K. MITTAL & CO.***Chartered Accountants*

Sd/-
(S.K. JAIN)
Partner
M.No. 84125

Sd/-
(PARVEEN JAIN)
Managing Director

Sd/-
(ABHEY JAIN)
Director

Place : New Delhi
Date : 29/05/2010

Sd/-
(RAMESH CHANDER)
Company Secretary

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)***MANUFACTURING & PROFIT & LOSS ACCOUNT FOR YEAR ENDED ON 31st MARCH 2010**

PARTICULARS	Schedule No.	Current Year 31/03/2010 (Rs.)	Previous Year 31/03/2009 (Rs.)
INCOME			
Gross Sales		1371318206.69	1201972674.00
Less: Excise Duty		46316817.00	77342771.00
Net Sales		<u>1325001389.69</u>	<u>1124629903.00</u>
Other Income	X II	15820346.31	20269861.93
Increase / (Decrease) In Stock	XIII	(91189.00)	(12989539.00)
TOTAL		<u><u>1340730547.00</u></u>	<u><u>1131910225.93</u></u>
EXPENDITURE			
Raw Material Consumed	XIV	489219298.13	309980096.76
Manufacturing Expenses	XV	433770543.73	473189863.98
Payment and provision for employees	XVI	94047129.94	44930011.00
Financial Expenses	XVII	226461550.41	109821805.49
Administration & Other Expenses	XVIII	163758378.59	23188439.45
Depreciation	V	228247198.46	183795961.00
TOTAL		<u><u>1635504099.26</u></u>	<u><u>1144906177.68</u></u>
Profit before Tax		(294773552.26)	(12995951.75)
Less:- Provision for Income Tax for current year		0.00	0.00
Less:- Provision For FBT		0.00	74516.00
Less:- IncomeTax For Earlier Years		8387.00	409978.00
Less:- Provision for Deferred tax liabilities		(102139111.00)	(4552792.00)
Profit after Tax		(192642828.26)	(8927653.75)
Add:- Balance b/f from last year		265648750.71	274576404.46
Balance Carried to Balance Sheet		<u>73005922.45</u>	<u>265648750.71</u>
Net Profit attributable to Equity Share Holders		(192642828.26)	(8927653.75)
Weighted Average No of Equity Shares		37601884.00	37601884.00
Basic EPS		(5.12)	(0.24)
Diluted EPS		(5.12)	(0.24)
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	XIX		

As per our report of even date

For and on behalf of the Board of Directors

For **SUNIL K. MITTAL & CO.***Chartered Accountants*

Sd/-
(S.K. JAIN)
Partner
M.No. 84125

Sd/-
(PARVEEN JAIN)
Managing Director

Sd/-
(ABHEY JAIN)
Director

Sd/-
(RAMESH CHANDER)
Company Secretary

Place : New Delhi
Date : 29/05/2010

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

PARTICULARS	AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)
SCHEDULE - I : SHARE CAPITAL		
Authorised Capital	640000000.00	640000000.00
64000000 (64000000) equity shares of Rs. 10/- each Issued, Subscribed & Paidup Capital		
37601884 (37601884) Shares of Rs. 10 each fully paid up.	376018840.00	376018840.00
TOTAL	376018840.00	376018840.00
Note:- 37601884 (37601884) fully paid up equity shares includes 778300 issued as fully paid up bonus shares by Capitalising the profit of the Company.		
SCHEDULE - II : RESERVE & SURPLUS		
RESERVE		
Share Premium Account	385253799.53	385725749.53
Less: IPO Issue Expenses	0.00	471950.00
TOTAL A	385253799.53	385253799.53
General Reserve	1528067.07	1528067.07
TOTAL B	1528067.07	1528067.07
SURPLUS		
Profit & Loss A/c	73005922.44	265648750.71
TOTAL C	73005922.44	265648750.71
TOTAL A + B + C	459787789.04	652430617.31
SCHEDULE - III : SECURED LOANS		
RUPEE TERM LOAN :		
FROM BANKS:		
Indian overseas Bank	275126928.00	245375837.00
PNB	730928089.00	651344657.85
Syndicate Bank	598449854.26	539446971.65
Oriental Bank Of Commerce	302319121.00	204506456.00
Allahabad bank	185604432.04	100,704,584.00
Vijaya Bank	226912380.00	203,204,935.00
Car Loan	4744806.44	—
TOTAL A	2324085610.74	1944583441.50
WORKING CAPITAL LOANS :		
IOB	18991426.39	25245900.39
Oriental Bank of Commerce	188030820.87	228255247.68
Syndicate Bank	23056932.98	20173514.56
Allahabad Bank	12873523.00	39946287.00
PNB	42331547.03	67481874.28
TOTAL B	285284250.27	381102823.91
TOTAL (A+B)	2609369861.01	2325686265.41
SCHEDULE - IV : UNSECURED LOANS		
From Directors	207592790.72	156778749.98
From Others	31982807.41	32614122.15
	239575598.13	189392872.13

MAGNUM VENTURES LIMITED
(Formerly known as Magnum Papers Limited)

SCHEDULE - V : FIXED ASSETS AS PER SCHEDULE XIV OF COMPANIES ACT, 1956

Sr. No.	Particular	ROD/Yrs. of Amortisation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 1.04.2009	Addition	Sale/ Adjustment	As At 31.03.2010	As At 1.04.2009	During the Period	W/Off	Total as on 31.03.2010	WDV As On 31.03.2010	WDV As On 31.03.2009
PAPER - DIVISION												
1	Land	0%	28275584.60	0.00	0.00	28275584.60	0.00	0.00	0.00	0.00	28275584.60	28275584.60
2	Building	10%	53749398.55	1317260.00	0.00	55066658.55	32118988.40	2174592.00	0.00	34293560.40	20773098.15	21630430.15
3	Plant & Machinery	15.33%	1502914628.46	9429957.63	18982923.22	1493361662.87	487912115.41	155755989.00	14972444.25	628695660.16	86466002.71	1015002513.05
4	Electrical Instalation	15.33%	76041259.21	334142.00	0.00	76375401.21	53981159.51	3409523.00	0.00	57390682.51	18984718.70	22060099.70
5	Generator	15.33%	31255664.31	1615171.00	8365883.00	24504952.31	14459219.92	2862016.59	1504883.00	15616353.51	8888598.80	16796444.39
6	Vehicle	25.89%	13617537.87	1446308.00	0.00	15063845.87	10608847.27	815374.00	0.00	11422221.27	3641624.60	3010690.60
7	Office Equipment	13.91%	1298461.46	145000.00	0.00	1443461.46	765429.89	89617.00	0.00	855046.89	588414.57	533031.57
8	Furniture & Fixture	18.10%	541137.73	4670.00	0.00	545807.73	205541.00	61095.00	0.00	266636.00	279171.73	335596.73
9	Computer	40%	928487.16	36400.00	0.00	964887.16	675355.98	115732.00	0.00	791087.98	173799.18	253131.18
10	Fire Fighting Equip.	15.33%	808603.00	0.00	0.00	808603.00	270792.00	82446.00	0.00	353238.00	455365.00	537811.00
11	Computer Software	5 Years	90220.00	93000.00	0.00	183220.00	18044.00	19454.00	0.00	37498.00	145722.00	72176.00
STRAIGHT LINE METHOD												
12	Drinking Plant	4.75%	101990419.60	0.00	0.00	101990419.60	14931920.80	4844545.00	0.00	19776465.80	82213953.80	87058498.80
13	Turbine	4.75%	167564323.75	899505.60	0.00	168463829.35	32098855.40	7991520.00	0.00	40090375.40	128373453.95	135465468.35
Total			1979075725.70	15321414.23	27348806.22	1967048333.71	648044249.58	178021903.59	16477327.25	809588825.92	1157459507.79	1331031476.12
HOTEL-DIVISION												
1	Land	0%	136580700.65	26077273.61	0.00	162657974.26	0.00	0.00	0.00	0.00	162657974.26	136580700.65
STRAIGHT LINE METHOD												
2	Building & Site	1.63%	259728187.00	619529660.78	0.00	879257847.78	521947.00	9075517.00	0.00	9597464.00	869660383.78	259206240.00
3	Computer	16.21%	6804034.00	724955.00	0.00	7528989.00	135978.00	1161853.00	0.00	1297831.00	6231158.00	66808056.00
4	Furniture & Fixture	9.50%	30641304.21	525530847.99	0.00	556172152.20	358881.00	27341469.00	0.00	27700350.00	528471802.20	30282423.21
5	Plant & Machinery	4.75%	197477607.67	114349994.04	0.00	311827601.71	1156461.00	11627533.00	0.00	12783994.00	299043607.71	196321146.67
6	Computer Software	5 Years	0.00	1900308.00	0.00	1900308.00	0.00	278773.00	0.00	278773.00	1621535.00	0.00
7	Car	9.50%	0.00	6893939.00	0.00	6893939.00	0.00	422556.43	0.00	422556.43	6471382.57	0.00
Total			631231833.53	1295006978.42	0.00	1926238811.95	2173267.00	49907701.43	0.00	52080968.43	1874157843.52	629058566.53
HOTEL-CIS												
STRAIGHT LINE METHOD												
1	Plant & Machinery	1.63%	0.00	6216323.50	0.00	6216323.50	0.00	121572.00	0.00	121572.00	6094751.50	0.00
2	Furniture & Fixture	9.50%	0.00	1694640.02	0.00	1694640.02	0.00	107795.00	0.00	107795.00	1586845.02	0.00
3	Computer	16.21%	0.00	1056676.40	0.00	1056676.40	0.00	66051.00	0.00	66051.00	99025.40	0.00
4	Office Equipment	4.75%	0.00	270919.75	0.00	270919.75	0.00	8949.00	0.00	8949.00	261970.75	0.00
5	Generator	4.75%	0.00	6861000.00	0.00	6861000.00	0.00	10714.44	0.00	10714.44	6850285.56	0.00
6	Car	9.50%	0.00	438771.00	0.00	438771.00	0.00	2512.00	0.00	2512.00	436259.00	0.00
Total			0.00	16538330.67	0.00	16538330.67	0.00	317593.44	0.00	317593.44	16220737.23	0.00
GRAND TOTAL (Hotel+Paper)			2610307559.23	1326866723.32	27348806.22	3909825476.33	650217516.58	228247198.46	16477327.25	861987387.79	3047838088.54	1960090042.65
Previous year			1846019587.37	781259022.38	16971050.52	2610307559.23	478414096.58	183795961.00	11992541.00	650217516.58	1960090042.65	1493323388.79

*Note: Softwares are amortised in 5 years

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

PARTICULARS	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
SCHEDULE - VI : INVENTORIES		
(As Valued & Certified by the Management)		
Raw Material	41316169.00	25870256.00
Work-In-Progress	2510570.00	2510570.00
Finished Goods	36118240.00	36209429.00
Chemicals Stores & Consumables	44419808.00	28646322.00
Hotel Stock	4496995.58	1029845.00
Fuel	38030100.00	6475900.00
TOTAL	<u>166891882.58</u>	<u>100742322.00</u>
SCHEDULE - VII : SUNDRY DEBTORS		
(Unsecured & considered good by Management)		
a) Debts outstanding for a period exceeding Six Months	132574564.74	42121600.00
b) Others Debts	326384982.71	418041353.30
TOTAL	<u>458959547.45</u>	<u>460162953.30</u>
SCHEDULE - VIII : CASH & BANK BALANCE		
Cash in hand	1082596.00	1606230.00
Balance with scheduled banks in current accounts	6390182.42	10099088.10
TOTAL	<u>7472778.42</u>	<u>11705318.10</u>
SCHEDULE - IX : LOANS & ADVANCES		
(Unsecured, & considered good by the Management)		
Advance recoverable in cash or in kind or for value to be received	66281443.40	52495027.00
Security Deposit	2956624.04	3487112.04
Advance to Supplier for raw materials & Others	62169996.82	28695778.72
Prepaid Expenses	1914054.00	388701.00
Inter Company Balances	0.00	0.00
TOTAL	<u>133322118.26</u>	<u>85066618.76</u>
SCHEDULE - X : CURRENT LIABILITIES & PROVISION		
SUNDRY CREDITORS		
— Due to Small Scale Industries	0.00	0.00
— Due to Others	87761196.99	170073726.88
Expenses Payable	14243092.69	14787980.10
Advance from Customers	9380259.92	7646545.00
TOTAL	<u>111384549.60</u>	<u>192508251.98</u>

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)*

PARTICULARS	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
SCHEDULE - X : CURRENT LIABILITIES & PROVISION (Contd...)		
PROVISIONS		
Provision for Income Tax	0.00	0.00
Provision for Fringe Benefit Tax	0.00	74516.00
Provision for Leave Encashment	1672024.00	1652923.00
Provision for Gratuity	5385383.00	4592462.00
Provision for Bonus	1236121.00	1216125.00
TOTAL	119678077.60	200044277.98
SCHEDULE - XI : MISCELLANEOUS EXPENDITURE		
Right issue Expenses	253604.00	253604.00
TOTAL	253604.00	253604.00
SCHEDULE - XII : OTHER INCOME		
Profit (Loss) on sale of Discarded assets	2,681,639.00	529,968.10
Sale of Discarded Stores & Misc. Income	12,334,718.03	19,434,085.00
Rental Charges	166,000.00	300,000.00
Insurance Claim	24,500.00	0.00
Interest received	53,544.00	0.00
Foreign Exchange Income	559,945.28	(13,931.00)
Short & Excess	0.00	19,739.83
TOTAL	15820346.31	20269861.93
SCHEDULE - XIII : INCREASE / DECREASE IN STOCK		
Opening Stock		
Finished Goods	36209429.00	47149278.00
Work-In-Progress	2510570.00	4560260.00
TOTAL	38719999.00	51709538.00
Less : Closing Stock		
Finished Goods	36118240.00	36209429.00
Work-In-Progress	2510570.00	2510570.00
TOTAL	38628810.00	38719999.00
INCREASE / DECREASE IN STOCK	(91189.00)	(12989539.00)
SCHEDULE - XIV : RAW MATERIAL CONSUMPTION		
Opening Stock	26900101.00	12368561.00
Purchase during the year	508132361.71	324511636.76
TOTAL	535032462.71	336880197.76
Less : Closing Stock	45813164.58	26900101.00
Consumption during the year	489219298.13	309980096.76

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)*

PARTICULARS	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
<u>SCHEDULE - XV : MANUFACTURING EXPENSES</u>		
Power & Fuel Consumed	112448813.70	111583741.01
Chemicals Stores & Consumables	321321730.03	361606122.97
TOTAL	433770543.73	473189863.98
<u>SCHEDULE - XVI : PAYMENT AND PROVISION FOR EMPLOYEES</u>		
Salary (Including Director Remuneration Rs. 10,20,000/-) (Previous Year Director Remuneration Rs. 16,20,000/-)	58620450.94	17881451.00
Wages	25569330.00	20852482.00
Bonus	1259959.00	1265564.00
Gratuity	1415026.00	1213124.00
Leave Encashment	261296.00	448460.00
Employer's Contribution to E .S. I.	1539906.00	873889.00
Employer's Contribution to E.P. F.	5381162.00	2395041.00
TOTAL	94047129.94	44930011.00
<u>SCHEDULE - XVII : FINANCIAL CHARGES</u>		
Interest on Term Loans	180082175.15	76898316.08
Interest on FITL	8714499.76	0.00
Interest on Working Capital Loan	27571032.67	28609443.76
Interest of Car Loan	347680.44	0.00
Interest Others	1930223.00	3518052.00
Bank Charges	7815939.39	795993.65
TOTAL	226461550.41	109821805.49
<u>SCHEDULE - XVIII : ADMINISTRATION & OTHER EXPENSES</u>		
Advertisement Expenses	14835582.02	47014.00
Auditors Remuneration	205500.00	180000.00
Books & Periodicals	2396.00	980.00
Car Expenses	30899.00	33423.00
Commission Paid	347732.00	564182.00
Charity & Donation	0.00	3000.00
Deepawali Expenses	3856.00	59630.00
Electricity Expenses	37786047.50	761499.00
Entertainment Expenses	273950.00	0.00
Entertainment Tax	140666.00	2130.00
Excise Duty/Cess on Paper	3158.00	420780.00
Entry Tax	730906.00	2414253.00
Freight Outward	9076468.00	4036512.23

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)*

PARTICULARS	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
SCHEDULE - XVIII : ADMINISTRATION & OTHER EXPENSES (Contd...)		
ROC Filing Fees	1000.00	1629533.00
Insurance Charges	440943.65	959735.00
Appeal Fees	00	1000.00
Fees & Subscription	256493.00	14630.00
Legal & Professional Charges	1420957.00	1086410.00
Misc. & General Expenses	2263554.86	53253.00
Postage	107050.22	222950.00
PhotoCopy Exp.	289963.00	6050.00
Pest Control	729665.00	60469.00
Printing & Stationery	1348796.58	284238.00
Rates & Taxes	4142072.00	635531.00
Rebate/Discount & W/off	1236892.12	1056193.00
Rent	90000.00	90000.00
Repair & Maintenance General	35220935.50	5985421.44
Sales Promotion	241375.00	53000.00
Sales Tax Additional Demand	318600.00	73017.00
Scooter Expenses	16909.00	7010.00
Service Tax	(1404.00)	14387.00
Share Listing Fees	247454.00	202172.00
Telephone Charges	1901283.70	632573.78
Travelling Expenses	655465.70	31770.00
Conveyance Expenses	2415762.80	14205.00
Vehicle Expenses	245429.00	970567.00
Water Expenses	219460.54	0.00
Water Cess	685378.00	576151.00
Glassware Food & Beverages	466004.38	0.00
Guest Supplies Expenses	4128481.87	0.00
Horticulture-HK Expenses	402025.00	0.00
Kitchen Equipment & Fuel Expenses	8831919.41	0.00
Upholstry & Fabrics Expenditure	4479028.18	0.00
Linen & Staff Uniforms	8928857.05	0.00
Staff Welfare	4283887.71	4770.00
Staff Training Expenses	1820209.00	0.00
Flower & Decoration Expenses	820238.74	0.00
Security Expense	2132250.00	0.00
Cable TV Expenses	2339187.00	0.00
Laundry & Cleaning Expenses	1283149.65	0.00
Hotel operative Expenses	5911943.41	0.00
TOTAL	163758378.59	23188439.45

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ANNEXED TO BALANCE SHEET AS AT 31-03-2010

SCHEDULE- XIX : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

- a) The financial statements have been prepared under the historical cost convention and on the accounting principles of going concern. Accounting policies not specifically referred to otherwise are in accordance with the generally accepted accounting principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b) The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets & liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent & reasonable. Future results could differ from these estimates.
- c) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- d) The company is complying with the Accounting-Standards issued by the ICAI, as per the requirements of section 211(3C) of the Companies Act, 1956.

2. FIXED ASSETS AND DEPRECIATION

- a) Expenditure of capital nature are capitalised at cost comprising of purchase price (*net of Excise duty, rebates and discounts*) and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All fixed assets are carried at cost less depreciation. But when an asset is scrapped or otherwise disposed off, the cost and related depreciation are written off from the books of accounts and resultant profit or loss, if any is reflected in profit and loss account.
Advances paid towards the acquisition or construction of fixed assets and the cost of assets not put to use as at reporting date are disclosed under capital work in progress.
- b) In Paper Division Depreciation on fixed assets is provided on the basis of Written down Value method except on Software which is amortised in 5 years. On turbine & Deinking Plant in Paper Division and for Hotel Division Assets, depreciation has been provided on the straight-line method and at the rates in the manner prescribed in schedule XIV to the Companies Act, 1956, Vide GSR No. 756E Dt. 16.12.93.

3. FOREIGN EXCHANGE TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

4. INVENTORY VALUATION

- a) Stock of raw materials, stores & spares are valued at purchase cost to the company on first in first out basis.
- b) W.I.P is valued at Rs.2510570/- which includes component of Waste Paper, Chemicals & Stores, Fuel and Other Manufacturing Overheads. Finished goods are valued at cost of production or net realisable value which ever is less. Cost for the purpose of valuation includes raw material consumption, manufacturing expenses and other appropriate overheads there on in accordance with AS-2 (Revised) issued by I.C.A.I.

5. SALES

Sales are inclusive of Excise Duty and are booked on the basis of dispatches from factory gates.

6. MISCELLANEOUS EXPENDITURE

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Miscellaneous Expenditure: Written Off (Paper Division : Relating to IPO)	Rs. NIL	Rs. 471950 (Adjusted against Securities Premium Account)
Miscellaneous Expenditure (Hotel Division)	Rs.82957039.70 (Transferred to Capital Work In Progress)	Rs. 100376034.98 Transferred to Capital Work In Progress

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7. EXCISE DUTY

Liabilities for Excise Duty on finished goods lying in the Work Premises are accounted for as & when these are cleared from the factory gate.

8. IMPAIRMENT OF ASSETS

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that impairment loss may have occurred and where the recoverable amount of any fixed asset is lower than the carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is generally measured using discounted estimated cash flows. Post impairment, depreciation is provided on the revised carrying value of asset over its remaining useful life.

9. TAXATION

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax for timing difference between the book profits and tax profits is recognized using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10. EARNING PER SHARE

Basic EPS is calculated by dividing the net profit for the year attributable to Equity Share holders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding the year is adjusted for events of bonus issue and share split.

For the purpose of calculating Diluted Earning per Share, the Net Profit for the year attributable to Equity Share holders and the weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The Company does not have any diluted equity shares at the year end.

11. PROVISION AND CONTIGENCIES

A Provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (including retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in profit & loss account but are disclosed in Notes to the Accounts.

12. RETIREMENT AND OTHER EMPLOYEE BENEFITS

i) Defined Contribution Plan

Retirement benefits in the form of provident fund & pension schemes whether in pursuance of law or otherwise is accounted on accrual and charged to profit and loss account of the year basis. The Company is regular in depositing these dues to the credit of appropriate authorities in due time.

ii) Defined Benefit Plan

No actuarial valuation has been carried as required in Accounting Standard 15 'Employee Benefits' as a result of that present liability under payment of Gratuity Act, 1972 cannot be ascertained.

Liability in respect of gratuity payable to employees has been provided for on the assumption that such benefits are payable to all employees who have completed five years of service at the end of accounting year.

iii) Other Benefits

No actuarial valuation has been carried as required in Accounting Standard 15 'Employee Benefits' as a result of that present liability for short term and long term compensated absences cannot be ascertained.

Liability in respect of leave encashment payable to employees has been provided for leave credit at the year-end.

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(B) OTHER NOTES

1. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF THE FOLLOWING :

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	Present Status
Excise Law	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise
	With regard to amount of CENVAT Credit of Rs.828510/- availed from the purchase made by the company, as the question on genuineness of the supplier is raised by the Department of Excise, for which the company has filed an appeal before the Custom Excise Service Tax Appellate Tribunal which was decided in favour of the Company vide order dated 02/06/06. The Commissioner of Custom & Central Excise, Ghaziabad has filed an appeal before Hon. High Court of Allahabad u/s 35-G of Central Excise Act.	828510/-		Hon'ble Allahabad High Court
Central Sales Tax Laws	Commercial Tax The Company has filed writ petition on 08.01.2004 with Hon. High Court Allahabad against the process of re-assessment in pursuance of the notice dated 25.11.2003 under section 21 of the U.P. Trade Tax Act for quashing the circular of CST/ UP dated 25.01.2003 regarding non inclusion of stock transfer in achieving Base Production U/s 4A . Hon. High Court has granted stay on 08.01.2004.	617083/-	1996-1997	Hon'ble Allahabad High Court stay granted on 08-01-04
	The Company has been purchasing diesel oil against Form 3B on concessional rate of tax @ 2.50 %. The Commissioner (Trade Tax) issued a Circular denying the concessional rate of tax to the industry using diesel oil for generating the power, the company and other companies filed Writ Petition in Hon'ble Allahabad High Court against the State of UP to quash the Circular that was decided in favor of the company and other Petitioners. The State of UP filed an appeal before the Hon'ble SC of India against order of Hon'ble HC of Allahabad. The Management of the Company is not actively pleading the case in Hon'ble SC as there are a number of other respondent also.			
EPCG License	Under the EPCG scheme of the Government of India, the company imported capital goods for its Hotel Project during the year 2008-09 & 2009-10 at import duty rates less than the regular import duty rates and has saved import duty of equivalent INR Rs.6.38 Crore on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.51.06 Crore, this includes Export obligation of Rs. 0.63 Lac for Paper division. Non- fulfillment of obligation will result into company liability to pay the duty so saved along with interest and such other sum as specified by the concerned authority.			

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Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	Present Status
Excise Law	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise
Income Tax	A Search and seizure operation was conducted on January 18, 2007 by the Income Tax Department u/s 132 of the Income Tax Act, 1961 on the company's administration and production facilities at 18/31 and 18/41, site IV, Industrial Area, Sahibabad, Ghaziabad; and the residence of the promoters at 113/3, Daryaganj, New Delhi & survey operation was conducted u/s 133A of the Income Tax Act, 1961 on the Company's Properties at A-35/1, A-40/2, and 64/6, Site IV, Industrial Area, Sahibabad, Ghaziabad. The Assessment has been completed raising a Demand of Rs. 9.98 Crores. The demand has been raised without considering the Advance Tax, Self Assessment Tax of Rs. 2.27 Crores for which a rectification u/s 154 has been filed and for balance demand the Company had filed an appeal before the CIT (Appeal).			

2. Fixed assets installed and put to use have been certified by the management and relied upon by the auditors, being a technical matter.

Capital Work in Progress includes advances for capital assets Rs.3409843.53 (previous year 446719600)

3. REMUNERATION PAID TO AUDITORS:

Particular	Current Year	Last Year
As Statutory Auditors	170000/-	150000/-
Tax Audit Fees	35500/-	30000/-
In other matter	NIL	NIL

4. In the opinion of the management, current assets, loans and advances are of the value stated if realised in the ordinary course of business except otherwise stated. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonable.
5. During the year company has suffered loss & hence no provision for taxation has been made for the year ended 31.03.2010 in accordance with the provision of Income Tax Act, 1961.
6. The accounts of the parties are subject to their respective confirmation
7. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Remuneration Paid	Rs.1020000/-	Rs.1620000/-

During the year the Company is having inadequacy of Profit/Loss U/s 309(5)/198/349. The Company is having Losses during the year the remuneration is provided in accordance with Part II of Schedule XIII of the Companies Act, 1956.

8. RIGHT ISSUE

The Board of Directors of the company in its meeting held on 26th June 2008 had discussed and approved for rising of funds by the Company by way of issue of shares or any other securities.

9. Additional information pursuant to the provision of paragraph 3, 4C and 4D of the schedule-VI to the Companies Act, 1956 (as certified by the management and relied upon by the Auditors)

I) Quantitative information with regard to the licensed & installed capacity, production & sales of paper manufactured by the company:

Particular	Current Year Qty. In MT	Last Year Qty. In MT
(a) Licensed Capacity	85000	85000
(b) Installed Capacity	N.A	N.A
(c) Production	63930	60924

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)***II) Turnover, Closing & Opening Stock of Finished Goods
PAPER DIVISION**

Particular	Qty(Kgs)		Amount In Rs.	
	CurrentYear	LastYear	CurrentYear	LastYear
(a) Opening Stock(Paper)	2074396	2410996	36209429	47149278
(b) Closing Stock(Paper)	1887331	2074396	36118240	36209429
(c) Sale of Paper	64117206	61298011	1092872560	1199355743

(Sale Include Self Consumption 1079500 Kg. (Previous Year 808750 Kg.)

HOTEL DIVISION

Particular	Qty(Kgs)		Amount In Rs.	
	CurrentYear	LastYear	CurrentYear	LastYear
(a) Opening Stock(Hotel)	NA	NA	1029845	Nil
(b) Closing Stock(Hotel)	NA	NA	4496996	1029845
(c) Sale	NA	NA	232128830	2134951

III) Information in regard to raw material, Stores & Chemical consumed:

Particular	Qty(Kgs)		Amount In Rs.	
	CurrentYear	LastYear	CurrentYear	LastYear
(a) Raw Material	67234394	66109600	455977030.78	309980096.76
(b) Stores & Chemical	—	—	321321730.03	361606122.97
(c) Power & Fuel	—	—	112448813.70	111583741.01

Value & percentage of imported & indigenous raw material and stores & chemicals consumed:

Particular	Value (Rs)		In %	
	CurrentYear	LastYear	CurrentYear	LastYear
Imported Raw Material	183415893	64618608	40.22	20.85
Indigenous Raw Material	272561138	245361489	59.78	79.15
Imported Stores & Chemical	9808499	15159512	3.05	4.19
Indigenous Stores& Chemical	311513231.03	346446611	96.95	95.81

IV) Information in regard to Foreign Currency Transactions**a) C.I.F. VALUE OF IMPORTS:**

Particular	Current Year (Rs)	Last Year (Rs)
Raw Material	131363552	61546138
Chemical & Consumable Spare Parts	10893247	1835961

b) EXPENSES INCURRED IN FOREIGN CURRENCY:

Particular	Current Year (Rs)	Last Year (Rs)
Traveling Expenses Paper Division	Nil	Nil
(Hotel) 3281 Euro	205677	Nil

c) EARNING IN FOREIGN EXCHANGE CURRENCY:

Particular	Current Year (Rs)			Last Year (Rs)		
	Rs.	US \$	Euro	Rs.	US \$	Euro
Earning In Foreign Currency Paper Division	4783374	10529.92	—	2740379	60181	5107
Hotel Division	As Below					

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S. No.	Name of Currency	In Foreign Currency	Amount in Indian Currency
1	United Arab Emirates Dirham	600	6960.00
2	Australian Dollar	1500	60997.50
3	Canadian Dollar	320	12985.50
4	Swiss Franc	850	36155.00
5	Euro	7960	505638.50
6	Pound	715	51659.50
7	Hong Kong Dollar	500	2700.00
8	Japanese Yen	62000	30275.50
9	Malaysian Ringgit	1360	16863.00
10	Singapore Dollar	280	8520.00
11	US Dollar	68218	2987429.25
12	South Africa Rand	1000	5450.00
Total			3725633.75

10. RELATED PARTY TRANSACTION DISCLOSURE:

Related party disclosures have been set out in separate statement annexed to this schedule. The related parties, as defined by Accounting Standard 18 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, in respect of which disclosure have been made, have been identified on the basis of disclosure made by the managerial persons and taken on record by the board.

11. SUNDRY CREDITORS:

Sundry creditors include nil amounts due to small-scale industrial undertakings. The information regarding small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the Company.

12. DEFFERRED TAX LIABILITY:

Deferred tax assets and liabilities are attributable to the following items:

Particular	As at 31.03.2010 (Rs)
DEFFERED TAX ASSETS :-	
Provision for gratuity	5385383.00
Leave Encashment	1672024.00
Unabsorbed Depreciation	263454658.46
Unabsorbed Losses	1256964.27
Interest Disallowed	207434581.82
(A)	479203611.55
DEFFERED TAX LIABILITY :-	
Excess of net block as per Companies act over Income tax act	(B) 523597453.60
(A)-(B)	44393842.00
Net Deferred tax liabilities as on 31.03.2010	13717697.00
Deferred tax liabilities provided as on 31.3.2009	115856808.00
Deferred tax liabilities attributable to Financial Year 2009-10	(102139111.00)

In the opinion of the management the company expects to generate taxable income in the coming years, which would enable it to utilize the unabsorbed depreciation.

13. BORROWING COST

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A Qualifying asset is one that necessarily takes substantial period of time to get ready for intended

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use. All other borrowing costs are charged to revenue. Interest and other borrowing cost amounting Rs.133337754/- (Previous year Rs.90181429/-) have been capitalised to the carrying cost of fixed assets & Capital Work in Progress

14. In accordance with Accounting Standard 28 'Impairment of Assets' issued by Institute of Chartered Accountants of India and made applicable from 1st day of April 2004, the company has assessed the potential generation of economic benefits from its business units as on the balance sheet date and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business: there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.

15. SEGMENT REPORTING

The segment reporting of the company has been prepared in accordance with Accounting Standard – 17 'Accounting for Segment Reporting' issued by Institute of Chartered Accountants of India.

Primary –

The Company has considered Business segments as primary format for segment reporting, namely Paper Division & Hotel Division.

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars		Paper Division	Hotel Division	Total
Segment wise Revenue				
External Revenue	2010	1139189377.00	232128829.69	1371318206.69
	2009	1199355743.00	2616931	1201972674
Segment wise Results				
Segment Result	2010	(-)143199796.62	(-)151573755.64	(-)294773552.26
	2009	(-)1152213.78	(-)11843737.97	(12995951.75)
Segment wise Assets	2010	2529863761.84	1288030496.94	3817894258.78
	2009	2447551830.86	1901666444.24	4349218275.10
Segment wise Liabilities	2010	99525533.58	20152544.02	119678077.60
	2009	116543921.94	573542554.31	690086476.25
Fixed Assets Addition	2010	15321414.23	131154309.09	1326866723.32
	2009	275745096.85	505513925.53	781259022.38
Depreciation	2010	178021903.59	50225294.87	228247198.46
	2009	181622694.00	2173267.00	183795961.00

Geographical Segment

No Geographical segment reporting is required as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

16. Sundry Debtors and creditors are subject to the confirmations
17. Note to Schedule III of the Balance Sheet (Security for the Term Loans & Working Capital)

Paper Division

a Working Capital Limit	First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables & other current assets of the Paper Division ranking pari-passu basis with the consortium members (OBC, PNB, SYB, IOB & Allahabad Bank).
b. Term Loan	First charge on the entire fixed assets of the Paper Division present & future (Excluding PCC) ranking on pari-passu basis. (OBC, PNB, SYB, IOB & Allahabad Bank, Vijaya Bank).
c Term Loan PCC	Exclusive charge on all PCC project assets in favour of Syndicate Bank. Collateral Pari-Passu second charge on the entire fixed assets of the company (present & future) along with other consortium member banks.

MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

Hotel Division

a Term Loan	First charge on present/future blocks assets of Hotel division ranking pari-passu with other lenders of the project. (OBC, PNB, SYB, IOB & Allahabad Bank ,Vijaya Bank).
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Collateral

a	Working capital facilities shall be collaterally secured by way of Second Charge on entire fixed assets (present & future) of the company on pari-passu basis with the members of consortium. First charge against these assets shall continue with term lending banks.
b	Term loan facilities shall be collaterally secured by way of Second Charge on entire current assets (present & future) of the company on pari-passu basis with the members of consortium. First charge against these assets shall continue with working capital lender banks.

20. Previous year figure have been regrouped and reclassified wherever considered necessary to make them comparable to those of the current year.

21. All other information required to be given is either Nil or Not applicable.

22. Figures in brackets pertain to the previous year.

Schedule I to XIX form an integral part of the Balance Sheet as at 31st March -2010 and have been authenticated as such.

As per our report of even date

For and on behalf of the Board of Directors

For **SUNIL K. MITTAL & CO.**

MAGNUM VENTURES LIMITED

Chartered Accountants

Sd/-
(S.K. JAIN)
Partner
M.No. 84125

Sd/-
(PARVEEN JAIN)
Managing Director

Sd/-
(ABHEY JAIN)
Director

Sd/-
(RAMESH CHANDER)
Company Secretary

Place : New Delhi
Date : 29/05/2010

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)***Financial Year 2009-10****Annexure referred to in note No.12 of the notes forming part of accounts.****Disclosure of transactions with related parties as required by Accounting Standard-18**

Sl.No.	Particulars	Key Management personnel	Relative of key management personnel
1	Interest paid	216084.00	1713723.00
2	Director's remuneration	1020000.00	—
3	Loan Outstanding as on 31.03.2010	207592790.72	31982807.41
4.	Salary	—	108000.00

Note: Names of the related parties and descriptions of relationships

1. Key Management personnel	Mr. Pardeep Kumar Jain Mr. Praveen Kumar Jain Mr. Parmod Kumar Jain Mr. Vinod Jain Mr. Abhey Jain Mr. Kishan Jain Mr. Rakesh Garg Mr. Subhash Oswal Mr. Naveen Jain Mohd Sahid Aftab
2. Relatives of key management personnel	Mr. Salek Chand Jain Mrs. Asha Jain Mr. Rishabh Jain Mr. Ritesh Jain Mrs. Monika Jain Mrs. Rita Jain Mrs. Veena Jain Mrs. Priyanka Jain Ms. Shilpi Jain Mr. Parv Jain M/S Praveen Kumar Jain (HUF) M/S Pramod Kumar Jain (HUF) M/S Pradeep Kumar Jain (HUF) M/S Vinod Jain (HUF) M/S Abhay Jain (HUF) M/S Salek Chand Jain (HUF)

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)***CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2010**

Particulars	2009-10		2008-09	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
CASH FLOW FROM OPERATIONS				
A) Profit before Taxation		(294773552.26)		(12995951.75)
B) Adjustments				
ADD				
i Depreciation	228247198.46		183795961.00	
ii Interest expenses	218645611.02		109025811.84	
iii Profit on sale of fixed assets	(2681639.00)		(529968.10)	
iv Provision for Gratuity	792921.00		485446.00	
v Provision for leave Encashment	19101.00		225200.00	
vi Provisions for Bonus	19996.00		(237066.00)	
Less				
Interest income	53544.00		0.00	
		<u>444989644.48</u>		<u>292765384.74</u>
		150216092.22		279769432.99
Operating profit before working capital changes				
C) (Increase)/ Decrease in Current Assets				
i Inventories	(66149560.58)		20607376.00	
ii Sundry Debtors	1203405.85		(138350543.72)	
iii loans & advances	(48255499.50)		3091836.54	
Increase / (Decrease) in Current Liabilities				
i Sundry Creditors	(82312529.89)		89169626.45	
ii Advance from Customers	1733714.92		2597702.56	
iii Expenses Payable	(544887.41)		6954678.23	
iv other liability	50182726.00		66312733.00	
v Miscellaneous expenses incurred	0.00		(253604.00)	
		<u>(144142630.61)</u>		<u>50129805.06</u>
Cash generated from operations		6073461.61		329899238.05
Wealth tax paid	0.00		0.00	
Income tax & FBT	82903.00		19305603.00	
		<u>(82903.00)</u>		<u>(19305603.00)</u>
NET CASH FROM OPERATIONS		5990558.61		310593635.05

MAGNUM VENTURES LIMITED*(Formerly known as Magnum Papers Limited)*

Particulars	2009-10		2008-09	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
INVESTING ACTIVITIES				
i Additions to Capital work in progress	1237998978.49		(673766361.90)	
ii Additions to fixed assets	(1326866723.32)		(781259022.38)	
iii Increase in investment	0.00		0.00	
iv Interest Income	53544.00		0.00	
v Sale of fixed assets	13553117.96		5508477.62	
NET CASH FROM INVESTING ACTIVITIES	(75261082.87)		(1449516906.66)	
FINANCING ACTIVITIES				
i Issue of Equity Shares	0.00		0.00	
ii Increase in Share Premium	0.00		(471950.00)	
iii Decrease in Investments	0.00		0.00	
iv Borrowings	283683595.60		1257731798.55	
v Interest Paid	(218645611.02)		(109025811.84)	
NET CASH FROM FINANCING ACTIVITIES		65037984.58		1148234036.71
Net Change in cash and cash equivalents (A+ B + C)		(4232539.68)		9310765.10
Cash and cash equivalents at the beginning of the period (See Note-1)		11705318.10		2394553.00
Cash and cash equivalents at the end of the period (See Note-1)		7472778.42		11705318.10

Notes to Cash Flow Statement :-

1.00 Cash and cash equivalents consist of cash on hand and balances with scheduled Banks in current accounts. Cash and cash equivalents included in cash flow statement comprise the following balance sheet amounts.

	2009-10	2008-09
Cash in hand	1606230.00	1176322.00
Cash in hand	1082596.00	1606230.00
FDR with the Bank	0.00	0.00
Balance with scheduled banks in current accounts	6390182.42	10099088.10
	7472778.42	11705318.10

MAGNUM VENTURES LIMITED

Regd. Office : "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002

ATTENDANCE SLIP

Regd. Folio No: **D.P.I.D :

**Client I.D :

30th ANNUAL GENERAL MEETING – 17TH SEPTEMBER, 2010

I Certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **30th Annual General Meeting** of the Company held on Friday, 17th September, 2010 at 2.30 p.m. at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110003.

.....
*Member's / Proxy's Name in Block Letter

.....
*Member's / Proxy's Signature

Note:

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.

* **Strike out whichever is not applicable**



MAGNUM VENTURES LIMITED

Regd. Office : "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002

PROXY FORM

Regd. Folio No: **D.P.I.D :

**Client I.D :

30th ANNUAL GENERAL MEETING – 17TH SEPTEMBER, 2010

I/We.....of.....being a member/members of Magnum Ventures Limited, hereby appoint.....of.....or failing him/her.....of.....as my/our Proxy to attend and vote for me/us on my/our behalf at the **30th Annual General Meeting** of the Company to be held on Friday, 17th September, 2010 at 2.30 p.m. at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110003, and at any adjournment thereof.

Signed this.....day of.....2010

Signature.....

Affix
Revenue
Stamp

Note:

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002, not less than 48 hours before the scheduled time of the meeting.

** Applicable only in case of investors holding shares in Electronics form.

BOOK POST

If undelivered, please return to :-

MAGNUM VENTURES LIMITED

Regd. Office : "Magnum House", 3/4326, Ansari Road,
Daryaganj, New Delhi - 110 002