



MAGNUM VENTURES LIMITED

Our Company was incorporated under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana under the name 'Magnum Papers Private Limited' and a certificate of incorporation dated May 29, 1980 was issued by the Registrar of Companies, Delhi and Haryana. Our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on February 15, 1995 and consequently the name of our Company was changed to 'Magnum Papers Limited' and a fresh certificate of incorporation dated May 31, 1995 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Subsequently, pursuant to a resolution passed by the Shareholders in their EGM held on September 4, 2006, the name of our Company was changed to 'Magnum Ventures Limited' and a fresh certificate of incorporation dated November 15, 2006 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. For details in relation to change in Registered Office of our Company, please refer to "General Information" on page 61.

Registered Office: H.No. - M.N. 01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi – 110024, Delhi, India;

Tel: +91 114 242 0015; **Facsimile:** N.A.

Corporate Office (where books of accounts are maintained): 18/41, Site IV, Industrial Area, Sahibabad, Ghaziabad - 201 010, Uttar Pradesh, India;

Telephone: +91 120 419 9200; **Fax No.:** N.A.

E-mail: info@magnumventures.in ; **Website:** www.magnumventures.in;

Contact Person: Aaina Gupta, Company Secretary and Compliance Officer;

Corporate Identification Number: L21093DL1980PLC010492

OUR PROMOTERS- PRADEEP KUMAR JAIN, PARMOD KUMAR JAIN AND PARVEEN JAIN

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

WE HEREBY CONFIRM THAT NEITHER OUR COMPANY NOR OUR PROMOTER OR ANY OF OUR DIRECTORS ARE IDENTIFIED AS WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS LETTER OF OFFER

ISSUE OF UPTO 90,59,433 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 54/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 44/- PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 4,892.09 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF TWO (02) RIGHTS EQUITY SHARE(S) FOR EVERY ELEVEN (11) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON THURSDAY, JANUARY 25, 2024 (THE "ISSUE"), THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 5.4 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 239 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section titled "Risk Factors" on page 23 of this Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (the "Stock Exchanges"). Our Company has received 'in-principle' approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* its letter dated January 12, 2024 and December 29, 2023, respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE



MAS SERVICES LIMITED

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II New Delhi-110 020,

Delhi, India.

Telephone: +91 112 638 7281/83

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E-mail: investor@masserv.com

Website: www.masserv.com

Investor grievance: investor@masserv.com

Contact person: N C Pal

SEBI Registration No: INR000000049

Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
WEDNESDAY, FEBRUARY 07, 2024	FRIDAY, FEBRUARY 16, 2024	WEDNESDAY, FEBRUARY 21, 2024

* Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 81, 20, 128, 78, 224 and 239 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “MVL”	Magnum Ventures Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at H.No. - M.N. 01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi – 110024, Delhi, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

Term	Description
Annual Audited Financial Statements	The audited financial statements of our Company prepared as per Ind AS for Fiscal 2023, Fiscal 2022 and Fiscal 2021, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Articles / Articles of Association / AoA	Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, Sahni Bansal & Associates, Chartered Accountants.
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof.
Chief Financial Officer / CFO	Parv Jain, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Aaina Gupta, the Company Secretary and the Compliance Officer of our Company.
Corporate Office	The Corporate Office of our Company is located at 18/41, Site IV, Industrial Area, Sahibabad, Ghaziabad - 201 010, Uttar Pradesh, India
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shareholder	A holder of Equity Shares
Equity Shares	Fully paid-up Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive Directors of our Company.
Financial Information	Collectively the Audited Financial Statements and Limited Reviewed Financial Information, unless otherwise specified in context thereof.

Term	Description
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Management Personnel / KMP	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management and Organizational Structure – Key Managerial Personnel</i> ” on page 121 of this Letter of Offer.
Limited Reviewed Financial Information or Limited Reviewed Financial Statements	The limited reviewed unaudited financial statements for the six-month period ended September 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. For details, see “ <i>Financial Information</i> ” on page 128 of this Letter of Offer.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-executive Directors	Non-executive Directors of our Company.
Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations. As on date of this letter of Offer, except for our Promoters, none of the members of our Promoter Group, hold Equity Shares in our Company.
Promoter(s)	Pradeep Kumar Jain, Parmod Kumar Jain and Parveen Jain
Registered Office	The Registered Office of our Company located at H.No. - M.N. 01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi – 110024, Delhi, India.
Registrar of Companies/ RoC	Registrar of Companies, Delhi and Haryana at Delhi having its office 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019, Delhi, India.
Restated Financial Statements/ Restated Financial Information	Restated financial statements of our Company for the for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, comprising (i) the restated statement of assets and liabilities for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, (ii) the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and (iii) notes thereto prepared in terms of the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For details, see “ <i>Financial Information</i> ” on page 128 of this Letter of Offer.
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Senior Management	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 111 of this Letter of Offer.
Shareholders/ Equity Shareholders	The Equity Shareholders of our Company, from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
“Abridged Letter of Offer” or “ALOF”	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
“Allot” or “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Master Circular, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement dated January 18, 2024 entered into by and among our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 239 of this Letter of Offer.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.

Term	Description
“Controlling Branches” “Controlling Branches of the SCSBs”	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
“Draft Letter of Offer” “DLoF”, “DLOF”	The draft letter of offer dated December 12, 2023 filed with the Stock Exchanges for its observations and in-principal listing approval.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 12.
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors– eligible equity shareholders as on record date making an Application through the ASBA facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Kotak Mahindra Bank Limited.
“Issue” or “Rights Issue”	Issue of up to 90,59,433 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 54/- per Rights Equity Share (including a premium of ₹ 44/- per Rights Equity Share) aggregating up to ₹ 4,892.09 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of two (02) Rights Equity Shares for every eleven (11) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Thursday, January 25, 2024.
Issue Closing Date	Wednesday, February 21, 2024
Issue Material	Collectively, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter, and any other material relating to the Issue.
Issue Opening Date	Wednesday, February 07, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 54 per Rights Equity Share
Issue Proceeds	The Gross proceeds raised through the Issue.
Issue Size	Amount aggregating up to ₹ 4,892.09 lakhs
“Letter of Offer” or “LOF”	This final letter of offer dated January 18, 2024 filed with the Stock Exchanges and SEBI for record purposes.
Multiple Application Forms	More than one Application form submitted by an Eligible Equity Shareholder/ Renouncee in respect of the same Rights Entitlement available in their demat account. However additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 71 of this Letter of Offer.
“Non-ASBA Investor” or “Non-ASBA Applicant”	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.

Term	Description
“Non-Institutional Bidders” or “NIIs”	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Friday, February 16, 2024.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Letter of Offer, being Thursday, January 25, 2024.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being Kotak Mahindra Bank Limited.
“Registrar to the Company”	MAS Services Limited
Registrar Agreement	Agreement dated December 11, 2023 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Any person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation in accordance with the SEBI Master Circular.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Friday, February 16, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
“Retail Individual Bidders(s)” or “Retail Individual Investor(s)” or “RII(s)” or “RIB(s)”	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement <i>i.e.</i> , INE387I20016.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being two (02) Rights Equity Shares for eleven (11) Equity Shares held on Thursday, January 25, 2024. The Rights Entitlements with a separate ISIN: INE387I20016 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Master Circular	Master circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable the stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place. The SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 has been rescinded pursuant to the SEBI Master Circular.
Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34

or

Term	Description
	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock Exchanges where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter(s) or Fraudulent Borrower(s)	Company or person, as the case may be, categorized as a wilful defaulter(s) or fraudulent borrower(s) by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI and in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
B2B	business-to-business
B2C	business-to-consumer
CAD	Current account deficit
CAGR	Compounded Annual Growth Rate
CMM	Coordinate Measuring Machine
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce & Industry
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
GII	Global Innovation Index
HFIIs	High-Frequency Indicators
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
IT	Information Technology
USA/US	United States of America
USD/ US\$	US Dollar
YoY	year-over-year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2019
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961

Term	Description
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NSE	National Stock Exchange of India Limited
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America

Term	Description
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively “**Issue Material**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email or physical dispatch through registered post/speed post this Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email or physical dispatch through registered post/ speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

In case the Eligible Equity Shareholders have provided their valid e-mail address registered with the depositories/ Company, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, by registered or speed post on a reasonable effort basis, to the Indian addresses provided by them. Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, this Letter of Offer, or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, this Letter of Offer, and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, this Letter of Offer, or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, this Letter of Offer, or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Draft Letter of Offer, this Letter of Offer, or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer, this Letter of Offer, and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH

INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Draft Letter of Offer/ this Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ this Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR

DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to “India” contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Letter of Offer is derived from the (a) restated financial statements of our Company as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising (i) the restated statement of assets and liabilities for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, (ii) the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and (iii) notes thereto prepared in terms of the requirements of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, and (b) limited reviewed unaudited financial results of our Company for the six-month period ended September 30, 2023, with the comparatives for the six-month period ended September 30, 2022, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. For further information, see “*Financial Statements*” beginning on page 128 of this Letter of Offer.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

We have prepared our annual Audited Financial Statements in accordance with Ind AS and Limited Review Report in accordance with recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), 2015. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and

the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 128 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As on September 30, 2023 [^] (₹)	As on March 31, 2023 (₹)	As on March 31, 2022 (₹)	As on March 31, 2021 (₹)
1 USD	83.06	82.63	75.81	73.50

(Source: www.fbil.org.in)

[^]Since, September 30, 2023 was a public holiday, the exchange rate as of September 29, 2023 has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us, or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such

data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 23, of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- 1) The Securities and Exchange Board of India has vide an order dated May 31, 2023 restrained our Company, our Promoters, our Chief Financial Officer and our Whole-time Director and other members of our Company from accessing the securities market for a period of one year. Our Company has preferred an appeal against the said order before the Hon’ble Securities Appellate Tribunal. In the event any adverse orders are passed against our Company or our Promoters or Directors, or if an order is passed by the Hon’ble Securities Appellate Tribunal upholding the order passed by SEBI, it would have a significant impact on our business, results of operations and financial condition.
- 2) Our Company is significantly reliant on the revenues earned from our paper division. Any downturn in our ability to increase or effectively manage our sales could have an adverse impact on our Company’s business and results of operations.
- 3) The license agreements entered into with Country Development & Management Services Private Limited (“CDMS”) for the hotel brand “Country Inn & Suites by Carlson” is non-exclusive.
- 4) There have been instances in the past of default in payment of dues to our lenders. Further, the loans availed by our Company from Allahabad Bank, Indian Overseas Bank, Oriental Bank, Punjab National Bank and Syndicate Bank were assigned to Alchemist Reconstruction Company Limited under Section 5(1)(b) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- 5) Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors and hotels and homestays aggregators will not significantly expand or improve facilities in the markets in which we operate.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and*

Results of Operations” beginning on pages 23, 97 and 211, respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*” and “*Terms of the Issue*” on pages 23, 60, 67, 71, 97, 81, 224 and 239 respectively.

1. Summary of Industry

Paper and paper products are a major source of materials used to package goods. Paper finds application in packaging due to the many environmental concerns arising from plastic usage. The capacity to recycle paper more than once, along with how simple it is to deal with it as a waste product, serves as an essential method of reducing pollution and costs to an extent. Packaging is an essential component of almost every product. A product's packaging acts as an ‘eye catcher’, allowing it to stand out from competing goods in today’s market environment, which faces stiff competition, and therefore, an edge is required for the product to outshine its rival. Packaging is also instrumental in conveying the product’s message to consumers and helps in establishing the visual appeal of a brand; hence, marketers view product packaging as the best possible opportunity to attract consumers to their product. The paper and packaging sector in India is growing rapidly and has significant potential for future expansion. The industry was valued at \$50.5 billion in 2019 and is anticipated to reach \$204.81 billion by 2025, registering a CAGR of 26.7% from 2020 to 2025.

India being one the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry emerging as one of the key drivers of growth among the services sector in India. Tourism industry in India has significant potential considering that Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic. It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socioeconomic growth, and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture, and diversity are showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and state governments have helped the tourism industry to recover from the covid-19 pandemic shock and operate at the pre-pandemic level.

For further details, please refer to the chapter titled “*Industry Overview*” at page 81 of this Letter of Offer.

2. Summary of primary Business

We are a leading player in India’s hospitality sector and the environment-friendly segment of the paper manufacturing industry. Our Company is engaged in the business of manufacturing, trading and exporting paper for more than 25 years. Our Company also owns and operates the Country Inn and Suites by Carlson (now Radisson) Hotel in Sahibabad, which is the second largest hotel under the Country Inn and Suites by Carlson brand and also has the distinction of being the first of its kind vegetarian five star hotel in India. We believe we have developed a brand presence in both the industries, through a diversified product portfolio in our paper division and a brand-strengthening association with the Carlson Group of Hotels (now Radisson Group of Hotels) that has helped establish a global hospitality standard.

For further details, please refer to the chapter titled “*Our Business*” at page 97 of this Letter of Offer.

3. Our Promoters

The Promoters of our Company are Pradeep Kumar Jain, Parmod Kumar Jain and Parveen Jain.

For further details please see chapter titled “*Our Promoters*” beginning on page 125 of this Letter of Offer.

4. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

Particulars	Amount
Funding purchase of new equipment and modification of existing machinery installed in the pulp section to rewinding section manufacturing unit to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper	3,471.96
General Corporate Purposes*	1,144.74
Net proceeds from the Issue**	4,616.70

* The amount shall not exceed 25% of the Issue Proceeds.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please see chapter titled “Objects of the Issue” beginning on page 71 of this Letter of Offer.

5. Summary of Financial Information

Following are the details as per the Limited Reviewed Financial Information for the six-month period ended September 30, 2022 and September 30, 2023 and Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in lakhs)

S. No.	Particulars	As of and for the Six-month period ended		As of and for the Financial Years ended		
		September 30, 2022	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	3,760.19	4782.69	4,210.19	3,760.19	3,760.19
2.	Net Worth	(278.10)	60,067.71	58,393.92	(5,117.24)	(5,672.64)
3.	Revenue from operations	24,523.75	23,324.97	46,001.44	32,830.11	17,659.94
4.	Profit after Tax	4,839.14	871.96	7,086.10	514.76	134.13
5.	Earnings per Share	12.87	0.19	18.78	1.37	0.36
6.	Net Asset Value per equity share	(0.74)	125.59	154.74	(13.61)	(15.09)
7.	Total borrowings	21,240.74	16,717.71	16,611.83	27,360.65	29,447.89

For further details, please refer the section titled “Financial Information” on page 128 of this Letter of Offer.

6. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Subsidiary is provided below:

(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By our Company	1	2	Nil	Nil	2	191
Against our Company	1	Nil	3	10	2	23.59
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	1	Nil	54
Promoters						
By our Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	1	Nil	54

#To the extent quantifiable.

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 224 of this Letter of Offer.

7. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 23 of this Letter of Offer.

8. Summary of Contingent Liabilities

The details of our contingent liabilities as of March 31, 2023, see “*Financial Statements*” on page 128 of this Letter of Offer.

9. Summary of Related Party Transactions

For details regarding our related party transactions for the Financial Years ended 2023, 2022 and 2021, see “*Financial Statements – Restated Financial Statements – Notes to Restated Financial Statements – Note 6: Related Party Transaction Disclosure*” on page 169 of this Letter of Offer.

10. Issue of equity shares made in last one year for consideration other than cash

Our Company has not issued equity shares in last one year for consideration other than cash.

11. Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year.

12. Exemption from complying with any provisions of securities laws, if any, granted by the Securities and Exchange Board of India

Our Company has not been granted any exemption from complying with any provisions of securities laws by the Securities and Exchange Board of India.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 80, 92 and 211 of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 18 of this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information and the Limited Review Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively; and*
- Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Magnum Ventures Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 1. The Securities and Exchange Board of India has vide an order dated May 31, 2023 restrained our Company, our Promoters, our Chief Financial Officer and our Whole-time Director and other members of our Company from accessing the securities market for a period of one year. Our Company has preferred an appeal against the said order before the Hon'ble Securities Appellate Tribunal. In the event any adverse orders are passed against our Company or our Promoters or Directors, or if an order is passed by the Hon'ble Securities Appellate Tribunal upholding the order passed by SEBI, it would have a significant impact on our business, results of operations and financial condition.*

The the Ld. Executive Director of Securities and Exchange Board of India (the “ED”) had passed an order bearing number QJA/SP/CFID/CFID-SEC4/26875/2023-24 dated May 31, 2023 restraining our Company, our Promoters, our Chief Financial Officer, our Whole-time Director, the *erstwhile* Company Secretary and Compliance Officer, Neha Gupta *erstwhile* Executive Director, Rakesh Garg- *erstwhile* Independent Director, Subash Oswal (“**Noticees**”), from accessing the securities market for a period of one year (the “**Order**”). Further, the ED had directed our Company to file Statements on Impact of Audit Qualifications in the prescribed format, for the entire period between FY 2016- 17 to 2022-23, with the stock exchanges, within two weeks from the date of order. In addition to the above, a penalty of ₹ 12 lakhs was imposed on our Company and ₹ 54.00 lakhs were imposed on each of the aforementioned Noticees under Section 15 HB of the SEBI Act, 1992. An appeal was filed by our Company before the Hon'ble Securities Appellate Tribunal (“**SAT**” and the appeal, the “**Appeal**”) challenging the Order. An appeal has also been filed by the Noticees before the Hon'ble SAT challenging the Order, on the same grounds as that of our Company and seeking similar reliefs as that of our Company.

Details of the Order and Show Cause Notice

The Order was passed pursuant to an show cause notice dated September 2, 2022 issued by SEBI to our Company alleging that (i) the accounting treatment of debt and interest was not in accordance with the Generally Accepted Accounting Principles and the applicable and notified Accounting Standards, and therefore our Company had fraudulently manipulated its financial position; (ii) provisioning for doubtful debts and complete reversal of the same in the succeeding year, inflated a financial result of our Company for the FY 2016-17; (iii) concealment of audit qualifications at the time of disclosure of audited financial results for the quarter and year ended March 31, 2017 to the Stock Exchanges, caused significant fluctuations in the share price of our Company; (iv) the limited review reports and the audit reports published for the FY 2016- 17 to FY 2019-20, were audited by an auditor who did not hold a peer review certificate; (v) there were instances of non-disclosure/ incorrect disclosure of information in the annual reports of our Company for the financial years 2016-17 to 2019-20. It was further alleged that the aforementioned incorrect financial disclosures led to a rise and fall in the stock price; therefore, the said acts were manipulative in nature. Our Company filed replies to the SCN stating that (i) the accounting treatment for reversal of old interest and non-provision of future interest was on account of an impending OTS with the banks and ARCs, and it is well within the discretion of the management to give material particulars for the deviation; (ii) the reversal of the provisions for doubtful debts was on account of the possibility of recovery from the debtors; (iii) the audit qualifications and the explanation of the management were duly disclosed in the annual report of our Company; (iv) the auditor of our Company was peer-reviewed and held a valid peer review certificate; (v) our Company cannot be charged under the SEBI PFUTP Regulations as (a) the accounts were properly prepared and (b) even otherwise, there can be no allegations of violation of PFUTP Regulations merely because there was a change in price if the Appellant, its directors or any other person did not have anything to do with the same. On May 31, 2023, SEBI passed the Impugned Order and exonerated our Company of the following charges, (i) the limited review reports and the audit reports published for the FY 2016- 17 to FY 2019-20, were audited by an auditor who did not hold a peer review certificate; and (ii) there were instances of non-disclosure/ incorrect disclosure of information in the annual reports of our Company for the financial years 2016-17 to 2019-20. However, our Company was held guilty of all other charges.

Details of the Appeal

Our Company has filed the Appeal on the grounds that *inter alia*, (i) there was no mala-fide intention on the part of our Promoters and Directors and a mere change in price of our Equity Shares cannot be considered a sufficient ground for alleging a fraud; (ii) the annual reports for FY 2016-2017 and the disclosures made by

our Company clearly reflect the accounting treatment and therefore any shareholder who was reading the annual accounts would have knowledge of the affairs of our Company, (iii) if an auditor disagrees with an accounting treatment, our Company can neither change the same or offer an explanation to the audit qualifications, (iv) the act of reversal of the accrued interest, the qualification of the auditor, and the comments from our Company were all available to the reader to take an informed decision; (v) the reversal of interest was imperative to give a true and fair picture of the affairs of our Company since we did not pay the entire principal amount to the lender banks / the ARC and hence accounting standards were complied with by our Company and there was no violation made by our Company. Our Company has prayed Hon'ble SAT to pass an order quashing and setting aside the Order and pass an order staying the operation and implementation of the Order.

The Hon'ble SAT vide orders dated July 13, 2023 in the appeals filed by our Company and the Noticees has directed our Company and Noticees to deposit the penalty amount which shall be subject to the result of the appeal, considering that in accordance with the finding in the Order, no benefit has been accrued to our Company and the Noticees due to misrepresentation. Further, Hon'ble SAT has stayed the Order, to the extent to which it restrained our Company and the Noticees from accessing the securities market. The Appeal is presently pending for adjudication.

Any adverse orders passed in the aforementioned proceedings could have a material and significant impact on our Company. Upon the occurrence of the aforementioned event, our Company may seek further legal recourse, which could be time consuming and costly and the outcome cannot be guaranteed. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image. For further details, please see "*Outstanding Litigation and Material Developments*" on page 224.

2. *Our Company is significantly reliant on the revenues earned from our paper division. Any downturn in our ability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.*

Since inception, our Company has been engaged in the business of manufacturing, trading and exporting paper. Our revenues are highly dependent on the customer base of our paper division and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The organised and unorganised paper industry is fragmented and inherently competitive with several regional brands and retailers present in local markets across the country. In the event, our customers substitute our products with that of our competitors due to difference in price or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to adequately react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

3. *The license agreements entered into with Country Development & Management Services Private Limited ("CDMS") for the hotel brand "Country Inn & Suites by Carlson" is non-exclusive.*

Our Company faces the risk of competing hotels operating under the same brand as its hotel in Sahibabad or elsewhere in India. If such hotels were to start operating in Sahibabad, where our Company has hotel under the same franchise, or in New Delhi or immediate National Capital Region, it would undermine the Company's brand differentiation. Further, we are required to maintain good and marketable title in the freehold property and hotel building, subject to any encumbrances that may be created for financing facilities availed by us. We are also required to maintain adequate insurance, including insurance covering the hotel. We are also subject to stringent brand standards. Such standards include operational standards, which relate to, among others, the quality of food and beverages, the cleanliness of hotel and the service to clients, and physical standards, such as the quality of the relevant hotel, its furniture and its fixtures. We may also be required to incur additional capital expenditure in order to comply with the policies, standards, technologies and practices adopted by CDMS globally. Further, in case of termination of license agreements, our Company will be liable to pay to CDMS damages of ₹ 50 lacs (Rs. 25 lacs each towards Territory License Agreement and Management Agreement) if the agreement terminates within two years of the operation of the hotel. However, if the agreement is terminated after two years of operations of the hotel, the damages

payable by the Company will be ₹ 1 crore (i.e., Rs. 50 lacs each towards Territory License Agreement and Management Agreement). While we have not experienced any material instances of terminations, fines or penalties, we cannot assure you that we will be able to fully comply with all the terms of our agreements entered into with CDMS. In the event that any of such agreements are terminated, due to our non-compliance or on other grounds, we may be required to pay damages to CDMS. Further, in the event of termination of such agreements, we may be unable to benefit from any marketing expenditure and other operating expenditure incurred in relation to the relevant operator's brand. In addition, we may be unable to find another hotel operator for that property in a timely manner, or at all, and may have to operate that property ourselves. If our license agreements are terminated or not renewed, we may not be able to use the brands and loyalty programs of CDMS to market our hotel. Such occurrences may adversely affect our business, results of operations and financial condition.

4. ***There have been instances in the past of default in payment of dues to our lenders. Further, the loans availed by our Company from Allahabad Bank, Indian Overseas Bank, Oriental Bank, Punjab National Bank and Syndicate Bank were assigned to Alchemist Reconstruction Company Limited under Section 5(1)(b) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.***

There have been instances of defaults in payment of dues to our lenders. In view of such defaults, our Company had assigned its outstanding secured loans availed from Allahabad Bank, Indian Overseas Bank, Oriental Bank, Punjab National Bank and Syndicate Bank to Alchemist Reconstruction Company Limited under Section 5(1)(b) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. While the ability of our Company has considerably increased for serving the loans after assignment of loans to Alchemist Reconstruction Company Limited, however we cannot assure you that we will be able to fully repay our outstanding loans or that we will not default in repayment of loans to our lender. For instance, Alchemist Reconstruction Company Limited vide a letter dated August 4, 2023, had informed our Company that out of the total instalment amount of ₹ 150.00 lakhs which had fallen due on June 25, 2023 a sum of ₹ 10.20 lakhs was received and therefore an amount of ₹ 139.80 lakhs was in default. It was noted in the said letter that our account had been irregular since inception. Alchemist Reconstruction Company Limited further stated that there has been persistent default and irregularity in payments and directed our Company to release installments timely to avoid default or irregularity in our account. On the occurrence of any defaults, our lenders may initiate insolvency petitions against us and demand immediate repayment of loans from our Company, which could adversely affect our business, operations and results of operations.

5. ***Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors and hotels and homestays aggregators will not significantly expand or improve facilities in the markets in which we operate.***

The hotel owned, operated and managed by us compete for guests with other hotels in a highly competitive industry. The success in the hotel industry is mainly dependent upon the ability of the hotel operators to compete in areas such as room rates, quality of accommodation, brand recognition, service level, the convenience of location and the quality and scope of other amenities, including food and beverage facilities. Our hotel competes with existing hotel facilities in the geographic markets and future hotel facilities that may be developed in proximity to the existing hotel. Our hotel owned and operated and managed by us is located in intensely competitive regions. Demographic, geographic or other changes could impact the convenience or desirability of the hotel, which would adversely affect our operations. Further, we may face competition from other hotel chains and aggregators which may have larger portfolios than us. There is sizeable hotel inventory in India outside the chain-affiliated space with a mix of product types, positioning, service and operating standards and varied degree of competitiveness. Some of these hotels are in the luxury, upper upscale and upscale segments and may have competitive relevance to our hotel. Our competitors may have more sophisticated distribution and sales channels or, through higher expenditures on offline and online advertising and marketing placements, may attract new customers or our existing customers. Furthermore, in the past few years, certain international hotel chains and hotel and homestay aggregators have established their presence in India, mainly through the management and/or marketing arrangements. There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

6. ***Our operations may be adversely affected if we are unable to attract and retain qualified employees. Further our operations may be impacted if there is deterioration in our relationship with employee unions***

at one or more of our properties.

Our hotel strives to provide our guests with high levels of service and personal attention. We, therefore, must maintain a large, well-trained service staff to be successful, which entails attracting, training and retaining employees qualified to provide the standard of service we have become known for. Due to our high standards of service and extensive training, many of our competitors may hire our staff members. Additionally, we face challenges in recruiting suitably qualified staff for our operations. Shortage of skilled labour could adversely affect our ability to provide these services and lead to reduced occupancy or potentially damage our reputation. If we cannot hire or retain qualified personnel, the business expansion will be impaired. Further, over the years, our key managerial personnel have built relations with customers and other persons who are connected with us and have assisted us in achieving the desired growth. Our performance is majorly dependent upon the services of our key managerial personnel. If our critical administrative personnel are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected. Additionally, whilst we believe we presently share good relations with employees, our relationship with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. A shortage of skilled labour or stoppage caused by disagreements with employees, strikes or lock-outs could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation.

7. *As a part of our long-term strategy, we propose to achieve future expansion largely through operating and management contracts which may expose us to a variety of risks such as termination and nonrenewal.*

We intend to expand our business operations by entering into operation and maintenance contracts for third party hotels, which we propose to obtain on a leasehold basis. We intend to operate and maintain boutique hotels by taking them on leasehold basis and selectively enter into such contracts in circumstances where it is economically and strategically prudent with the intent to further expand our operations in key geographies where we are not present. Our success in achieving desired results from the management contracts depends on our ability to establish and maintain long-term and positive relationships with third party property owners and our ability to enter into management agreements. The operating or management contracts which we propose to execute with the third-party owners shall be typically long term arrangements, the third party may terminate the agreement under certain circumstances, including termination in cases of failure to meet specific financial or performance criteria. Further, at any given time, we may be in disputes with one or more of our hotel owners about interpretation and compliance with the performance and financial standards. Any such conflict could be costly for us, even if the outcome is ultimately in our favour. We cannot predict the outcome of any such arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. An adverse result in any of these proceedings could adversely affect our results of operations. Furthermore, the property owners of managed hotels could depend on financing to buy, develop and improve hotels and in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding could materially adversely impact the maintenance and improvement plans for existing hotels and result in the delay or stoppage of the development of the existing pipeline. If any of these risks materialise, it could adversely affect our business, financial condition and results of operations.

8. *Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results.*

We have arrangements for an advanced reservation system that communicates reservations to our hotel when made by individuals directly, either online or through intermediaries such as travel agents, internet travel websites and other distribution channels. The reservation system's cost, speed, and efficiency are important aspects of our business. Any failure to maintain or upgrade and any other disruption to our reservation system may adversely affect our business.

9. *A portion of our hotel reservations originate from online travel agents and intermediaries. In the event such companies continue to gain market share compared to our direct reservation system or our competitors are able to negotiate more favorable terms with such online travel agents and intermediaries, our business and results of operations may be adversely affected.*

A portion of our hotel reservations originate from regional and local online travel agents and intermediaries, such as online aggregators, with whom we have contractual arrangements and to whom we pay commissions.

These third-parties, including online travel agents, offer a wide range of services, often across multiple brands, have growing reservation and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct reservation systems. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. In the event these companies continue to gain market share, they may impact our profitability, undermine our direct booking channels and online web presence and may be able to increase commission rates and negotiate other favorable contract terms. Negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, our competitors may be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our reservations from these channels, which in turn may adversely affect our business and results of operations.

10. Any deterioration in the quality or reputation of our brand could have an adverse impact on our reputation, business, financial condition and results of operations.

Our brand and our reputation are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brand and their associated reputation. If our brand is found to be lacking in consistency and quality, we may be unable to attract guests to our hotel. In addition, there are many factors which can negatively affect the reputation of any of our hotel and our brand. Occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety, or similar events can have a substantial negative impact on our reputation, create adverse publicity and cause a loss of consumer confidence in our business. The performance and quality of services at our hotel are critical to the success of our business. Any decrease in the quality of services rendered by us including due to reasons beyond our control, or allegations of defects, even when false, at our hotel could tarnish the image of our brands, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors. In addition, the considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents. We could also face legal claims, along with adverse publicity resulting from such legal claims. If the perceived quality of our brand declines, or if our reputation is damaged, our business, financial condition and results of operations could be adversely affected.

11. We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.

Our Company is one of the leading manufacturer of rigid paper in India that finds applications in the packaging of prominent consumer electronics and food products. Our business operations are highly dependent on our customers, especially those catered by our paper division and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations. While we have long term relationships with our customers, we have not entered into long terms agreements with some of our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

We have a strong network of distributors, dealers and wholesalers in our targeted regions who have been associated with our Company for marketing of its products for more than 15 years. Our Company follows a two tier marketing system consisting of: i. dealers network spread all over India; ii. direct marketing to big industrial consumers, Govt. agencies and export. We typically do not enter into formal agreements with such intermediaries, therefore we cannot assure you that our intermediaries will exclusively work for our Company or that they will not work for our competitors. We cannot assure you that we will be able to continue to maintain our arrangements with our intermediaries on terms that are commercially acceptable to us, or at all. Without any formal agreements, we cannot assure you that such third parties shall fulfil their obligations entirely, or at all, or shall not choose to serve our competitors. Without formal arrangements, we will not be able to litigate our intermediaries on account of non-fulfilment of duties and obligations or delay

in fulfilment of duties. Any such conflicts may lead to depletion of our distribution network thereby adversely affecting our sales and consequently our business and results of operations.

- 12. *We highly depend on our major raw materials and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.***

Our Company is one of the leading manufacturer of rigid paper in India that finds applications in the packaging of prominent consumer electronics and food products. Therefore, we are highly dependent on eco-friendly waste paper and recovered paper for manufacturing our finished products. Eco-friendly waste paper is procured either from the domestic market or international market. In the domestic market there are established suppliers who have big collection centers as well as small dealers who are operating in local area. In the international market, there are huge established suppliers, having agents in different parts of the world to market the eco-friendly waste paper. We are significantly dependent on our suppliers for procuring adequate quantities of eco-friendly waste paper. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs.

Further, we have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation or a failure of these suppliers to adhere to the delivery schedule or failure to deliver the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the quantity of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of raw materials required by us may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the paper industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover advance payments or claim compensation from our suppliers consequently increasing the manufacturing costs or reducing the realisation of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

- 13. *There are outstanding litigations involving our Company and our Promoters, if determined adversely, may adversely affect our business and financial condition.***

As on the date of this Letter of Offer, our Company and our Promoters are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company and our Promoters, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company and our Promoters are provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By our Company	1	2	Nil	Nil	2	191
Against our Company	1	Nil	3	10	2	23.59
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	1	Nil	54
Promoters						
By our Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	1	Nil	54

[#]To the extent quantifiable.

For further details, please refer to the section titled “*Outstanding Litigation and Other Material Developments*” on page 224224 of this Letter of Offer.

- 14. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.**

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner, the details of the same have been provided below:

S. No.	Non-compliance alleged	Fine/ penalty levied (in ₹)	Stock Exchange which imposed fine	Date of payment of fine
1.	Late submission under Regulation 13(3) of the SEBI Listing Regulations for the quarter ended June 30, 2020.	1,000	BSE Limited	January 30, 2023
2.	Late submission under Regulation 13(3) of the SEBI Listing Regulations for the quarter ended June 30, 2020.	1,000	National Stock Exchange of India Limited	September 14, 2020
3.	Late submission under Regulation 31 of the SEBI Listing Regulations for the quarter ended June 30, 2020.	The fine amount was waived	BSE Limited	-
4.	Late submission under Regulation 31 of the SEBI Listing Regulations for the quarter ended June 30, 2020.	2,000	National Stock Exchange of India Limited	September 14, 2020
5.	Late submission under Regulation 33 of the SEBI Listing Regulations for the quarter ended June 30, 2016.	65,000	BSE Limited	January 30, 2023
6.	Late submission under Regulation 27(2) of the SEBI Listing Regulations for the quarter ended March 31, 2017.	2,000	BSE Limited	May 12, 2017
7.	Non-Submission of corporate governance report under Regulation 17(1) of the SEBI Listing Regulations for the quarter ended March 31, 2019	5,900	BSE Limited	May 14, 2019
8.	Late submission of corporate governance report under Regulation	5,900	National Stock Exchange of India Limited	May 9, 2019

S. No.	Non-compliance alleged	Fine/ penalty levied (in ₹)	Stock Exchange which imposed fine	Date of payment of fine
	17(1) of the SEBI Listing Regulations for the quarter ended March 31, 2019			
9.	Late submission of reconciliation of share capital for the quarter ended June 30, 2020	-	-	-
	Total	82,800		

Further, the Ld. Executive Director of Securities and Exchange Board of India (the “ED”) had passed an order bearing number QJA/SP/CFID/CFID-SEC4/26875/2023-24 dated May 31, 2023 restraining our Company, our Promoters, our Chief Financial Officer, our Whole-time Director, the *erstwhile* Company Secretary and Compliance Officer, Neha Gupta *erstwhile* Executive Director, Rakesh Garg- *erstwhile* Independent Director, Subash Oswal (“**Noticees**”), from accessing the securities market for a period of one year (the “**Order**”). Further, the ED had directed our Company to file Statements on Impact of Audit Qualifications in the prescribed format, for the entire period between FY 2016- 17 to 2022-23, with the stock exchanges, within two weeks from the date of order. In addition to the above, a penalty of ₹ 12 lakhs was imposed on our Company and ₹ 54.00 lakhs were imposed on each of the aforementioned Noticees under Section 15 HB of the SEBI Act, 1992. An appeal was filed by our Company before the Hon’ble Securities Appellate Tribunal (“**SAT**” and the appeal, the “**Appeal**”) challenging the Order. An appeal has also been filed by the Noticees before the Hon’ble SAT challenging the Order, on the same grounds as that of our Company and seeking similar reliefs as that of our Company. Any adverse orders passed in the aforementioned proceedings could have a material and significant impact on our Company. For further details, please see “*Outstanding Litigation and Material Developments*” on page 224.

Our Company endeavours to comply with all such obligations/reporting requirements, there may be non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

15. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

Particulars	(₹ in lacs)		
	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow from/(used in) Operating Activities	7,269.93	6,293.55	3,339.88
Net cash generated from/(used in) investing activities	(424.97)	(1,935.04)	(1,760.69)
Net Cash Flow from/(used in) Financing Activities	(6,935.17)	(4,711.05)	(1,506.16)

We may incur negative cash flows in the future which could have a material adverse effect on our business, prospects, results of operations and financial condition.

16. In the past, our Company has been unable to make payment towards certain statutory dues on account of disputes.

Our Company has been unable to make payment towards certain statutory dues on account of disputes, the details have been added below:

Name of the statute	Nature of dispute	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax law	SCN for service tax from Hotel	164.01/- (Plus Interest & Penalty)		Assessment Year 2010-11	Order passed in company favour, but department filed appeal in Allahabad High court

We cannot assure you that there will be no such instances in the future or that our Company will not commit any further delays or defaults in relation to the applicable regulatory requirements, or that any penalty. Occurrence of any such instances could have an adverse impact on our business, results of operations and financial condition.

17. Our continued operations are critical to our business and any shutdown of our manufacturing unit might adversely affect our business, results of operations and financial condition. Further, our manufacturing unit and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing unit will adversely affect our business, financial condition and results of operations.

Our manufacturing unit is located in Sahibabad, Ghaziabad and any local social unrest, natural disaster or breakdown of services and utilities in these areas might have material adverse effect on the business, financial position and results of our operations. Our manufacturing unit is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our unit may push our manpower costs in the upward direction, which might reduce our margin and cost competitiveness. There have been instances in the past, wherein the Commission for air quality management and Central Pollution Control Board had directed closure of our manufacturing unit or limiting the manufacturing operations of our unit, on account of non-compliance of applicable environmental laws. We cannot assure you that any such orders will not be passed in the future or that we will not have to halt the operations in our manufacturing unit on account of such orders. Occurrence of any such events could have an adverse impact on our business operations, revenue, results of operations and financial conditions. Any significant interruption or loss or shutdown of operations at our manufacturing unit would adversely affect our business. Our manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

All our facilities and other utilities are located in our manufacturing unit. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting this region might adversely affect operations. Any failure of our systems or any shutdown of any of our manufacturing unit and facilities for any reason might result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters might materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity may substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and

adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

18. *Our business operations in respect of our Hotel Division are entirely dependent on our hotel premises situated at Sahibabad, any adverse developments affecting such hotel or the region where our hotel is located could have an adverse effect on our business, results of operations and financial condition.*

We own one hotel which is situated in the heart of business district of Sahibabad, in District Ghaziabad and falls under the National Capital Region. All our business operations in respect of our Hotel Division are highly dependent on the functioning of our hotel; therefore we would solely rely on our revenues from this hotel to pay our operating expenses and service our debt obligations. Any significant interruption or loss or shutdown of operations at our hotel would adversely affect our business. The operational and functioning of our hotel may be subject to unexpected interruptions, including natural or man-made. Further, in the event we are unable to comply with the regulatory requirements prescribed for the hotel industry, we may be forced to discontinue our hotel operations due to an adverse order which may be passed by any regulatory authority which could severely hamper our reputation and business operations. Any disruption of operations of our hotel could compel us to cancel prior reservations of our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them. Such litigations could be time taking and costly and we cannot assure you if the outcome of such litigations would be in our favour.

Our facilities and operations could be adversely affected by any significant interruption to our operations directly or indirectly as a result of any accidents which might occur at our hotel, severe weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over our hotel during the time of a national emergency, like the Government had taken over hotels for turning them into hospitals and quarantine centers due to the pandemic. In addition, any disruption in basic infrastructure, such as in the supply of electricity could substantially halt our business operations. Any disruption of our existing supply of infrastructure services such as power or water, food or cleaning supplies or our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. We cannot assure you that we will be able to address our reliance on our hotel, in the future. In the event our hotel is forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

19. *Our Statutory Auditor has included matter of uncertainties, emphasis of matters and qualifications, in the examination report to Restated Financial Statements for the three years ended March 31, 2023, March 31, 2022 and March 31, 2021. Further, our Statutory auditor has also included qualifications in the Limited Review Report on the unaudited consolidated financial results for the six months period ended September 30, 2023.*

Our Statutory auditor has included the following remarks in the limited review report on unaudited financial results for the six month period ended September 30, 2023:

Emphasis of matters and matters of uncertainties:

Extract from the limited review report on unaudited financial results for the six month period ended September 30, 2023:

“Based on our review conducted as above, we observe the following-

- a) *The Hon’ble Executive Director (“ED”) of SEBI has passed an order dated May 31, 2023 (bearing No. QJAISP/CF IDIF ID -SEC4/26875/2023-24) in the matter of MIs Magnum Ventures Limited and imposed penalty under section 15HA & 15HB of the SEBI Act, 1992 amounting to Rs. 12,00,000 on the company and collectively a penalty of Rs. 54,00,000 on directors and KMPs of the Company and restrained them from accessing the securities market and further prohibited from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, for a period of one year from the date of this Order. The provision of ₹ 12,00,000 has been made in the books of accounts. Subsequent to the said order, the Company has appealed before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble AT”), however Hon’ble SAT vide its order dated July 13, 2023 did not provide any interim relief to the company and directed the Company to deposit the penalty amount which shall be subject to the result of the appeal.*

We observe that the company had duly deposited the penalty amount in compliance to the order of Hon'ble SAT and the matter was listed for September 22, 2023 wherein the matter has further being adjourned for three weeks.

- b) The total outstanding debtors for the quarter ended September 30, 2023 amounting to ₹ 4578.43 lakhs for the paper division include ₹ 156.78 lakhs which are due for more than six months and no provision has been made for the same in the books of accounts. In view of the above our report is modified to the extent of ₹ 156.78 lakh.*
- c) We are unable to comment if the inventory has been physically verified by the management in the said period, since it being a technical matter we are unable to comment upon the adequacy, quantity, pricing and method being used for valuation of the inventory and have relied upon the value and quantity as certified by the management.*
- d) We are unable to comment if the Property, Plant & Equipment has been physically verified by the management in the said period. Accordingly, we are unable to comment upon the existence and method being used for valuation of the fixed assets.*
- e) We have not received the balance confirmation from M/s Alchemist Asset Reconstruction Company Limited as on September 30, 2023, any variation would be subject to reconciliation and adjustment thereon and it may impact the true and fair view of the affairs. Also, as per the documents made available to us, there is an overdue amount of ₹ 2,124.40 lakhs as on September 30, 2023.*
- f) Balances of debtors and creditors are subject to confirmation and reconciliation, consequential effect (if any) on the financial statements remains unascertained.”*

These qualifications have not been addressed by the Management of the Company in the Statement for the quarter ended September 30, 2023.

Our Statutory auditor has included the following remarks in the examination report to the Restated Financial Statements for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the audit reports for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Extract from the audit report on the audited financial statements for the year ended March 31, 2023:

“Key Audit Matter

- a) We refer to the note no-01 of the financial statement, the Company has revalued its Property, Plant & Equipment as on March 31, 2023 by adopting revaluation model, in accordance with Ind AS 16, based on valuation report of an independent registered valuer. Earlier these Property, Plant & Equipment were valued on cost model. The effect of revaluation has been recognized in Other Comprehensive Income and credited to Revaluation Surplus in Other Equity. Revaluation of PPE is consider to be a key Audit Matter due to the magnitude of the underlying amount and judgement involved in the assessment of fair value of these assets.*
- b) We refer to the note no-11 to the financial statement, the Company has issued 1,77,50,000 warrants convertible into equivalent nos. of equity shares at an exercise price of Rs. 25 (including a premium of Rs. 15 per warrant) under preferential allotment. Further the company has allotted 45,00,000 equity shares of face value of Rs. 10 each fully paid up on preferential basis.*

Emphasis of Matter

- a) Balances of M/s Alchemist Asset Reconstruction Company Limited as on March 31, 2023 are subject to confirmation and any variation would be subject to reconciliation and adjustment thereon and it may impact the true and fair view of the affairs.*
- b) The company and its director Including erstwhile directors and company secretary had received the show cause notice dated September 02, 2022 U/S 11(1),11(4), 11(4A), 11B(1), 11B(2) read with section 15HA and section 15HB of Securities Exchange Board of India Act 1992 and Rule 4 of Securities*

Exchange Board of India Rules 1995 subsequent to the investigation conducted by the Securities Exchange Board of India for the year ended March 2017 to March 2020. The company has filed its detailed submission on various dates in response to the said notice and no provision for any penalty or fines (if Imposed) has been accounted in the financials.

- c) *Balance of Debtors, Creditors & Advances as on March 31, 2023 are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.*
- d) *The inventory has been physically verified by the management and it being a technical matter we are unable to comment upon the quantity, pricing and method being used for valuation of the Inventory and have relied upon the value and quantity certified by the management.*
- e) *Refer Note No. 6 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2023 wherein the total outstanding debtors for the year ended March 31, 2023 amounting to Rs. 3990.17 Lakhs include Rs.33.32 lakhs which are due for more than six months*

Our opinion is not modified in respect of the above emphasis.”

Extract from the audit report on the audited financial statements for the year ended March 31, 2022:

“Emphasis of Matter

- a) *Refer Note No. 6 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2022 wherein the total outstanding debtors for the year ended March 31, 2022 amounting to Rs.5553.69 lakhs include Rs.717.46 lakhs which are due for more than six months and out of which debtors of Rs.52.86 lakhs are under litigations. Additionally, debtors amounting to Rs.126.89 lakhs have been written off.*
- b) *Balances of M/s Alchemist Asset Reconstruction Company Limited as on March 31, 2022 are subject to confirmation and any variation would be subject to reconciliation and adjustment thereon and it may impact the true and fair view of the affairs.*
- c) *Refer Note No. 16 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2022 wherein Company has defaulted in repayment of loan amounting to Rs. 50.46 crores of M/s Alchemist Asset Reconstruction Company Limited and as informed to us by the management, no adverse action has been initiated by the lender as on date.*
- d) *The lenders of the Company had appointed independent Chartered Accountant firm as concurrent auditor of the company, however no report has been provided to us and accordingly we are unable to comment on the observations of the auditor.*
- e) *Balance of Creditors as on March 31, 2022 are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.*

Our opinion is not modified in respect of the above emphasis.”

Extract from the audit report on the audited financial statements for the year ended March 31, 2021:

“Emphasis of Matter

Refer Note No. 7 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2021 wherein the total outstanding debtors for the year ended March 31, 2021 include Rs. 2,641.73 lakhs which are due for more than six months and out of which debtors of Rs.60.21 lakhs are under litigations of which Rs.2.45 lakhs has been received during the year. The Company has not made any provision for debtors outstanding for more than six months.

Refer Note No. 12 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2021 wherein the Company has complied with Ind AS 116 Leases for the first time during the year under modified retrospective method and has taken the cumulative adjustment to reserves.

Refer Note No. 13 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2021 wherein the classification of redeemable preference shares has been changed to financial liability in accordance with Ind AS 109 read with Ind AS 32 and the adjustment has been made through reserves named as “Reserves for Preference Shares”

Refer Note No. 16 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2021 wherein Company has defaulted in repayment of loan amounting to Rs. 24.83 crores of M/s Alchemist Asset Reconstruction Company Limited and as informed to us by the management, no adverse action has been initiated by the lender as on date.

Balance of Debtors & Creditors are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.

Our opinion is not modified in respect of the above emphasis.”

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further details, please refer to “Financial Information” on page 128 of this Letter of Offer.

20. Our secretarial auditor, has included certain qualifications, reservations and adverse remarks in the secretarial audit report for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with the Companies Act and SEBI Listing Regulations.

Our secretarial auditor has included certain qualifications, reservations and adverse remarks in the secretarial audit report for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, details of which have been provided below:

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2023:

“During the period under review, the Company has complied with the provision of the Act, Rules, Regulation, Guideline, Standards etc. mentioned above subject to the following observations:

- 1. Balances of M/s. Alchemist Assets Reconstruction Company Limited as on 31 March 2023 are subject to confirmation and any variation would be subject to reconciliation and adjustment thereon and it may impact the true and fair view of the affairs.*
- 2. Balance of Debtors, Creditors & Advances as on 31 March 2023 are subject to confirmation and reconciliation consequential effect (if any) on the financial statements remains unascertained.*
- 3. The total outstanding debtors for the year ended 31 March 2023 amounting to ₹ 3,990.17 lakhs include ₹ 33.32 lakhs which are due for more than six months.*
- 4. The Company has an internal financial controls system over financial reporting however it is needed to be further strengthen to commensurate with the size of the Company and nature of its business.”*

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2022:

“During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- 1. The Company had filed the outcome of the Board Meeting in which financial results were discussed and approved for the Quarter ended September 2021 by delay of few minutes with National Stock Exchange, which was required to be submitted to the stock exchange(s) within 30 Minutes of the conclusion of Board Meeting.*
- 2. The Company had filed the intimation of appointment of Ms. Aaina Gupta as Company Secretary cum Compliance Officer to the stock exchange(s) by delay of few hours, which was required to be intimated to stock exchange(s) within 24 hours of appointment in Board Meeting.*

3. *During the period under review, the Company has defaulted in repayment of loan amounting to Rupees 50.46 crores obtained from M/s. Alchemist Assets Reconstruction Company Limited.*
4. *The Company has an in-house internal audit system which is in our opinion not in commensurate with the size and nature of its business.”*

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2021:

“During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. *The limited review reports or audit reports submitted to the stock exchange(s) given by the auditor who has not subjected himself to the peer review process of Institute of Chartered Accountants of India and do not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.*
2. *The listed entity had filed the statement of Grievance Redressal Mechanism to the stock exchange(s) for the quarter ended June, 2020 by delay of one day.*
3. *The listed entity had filed the shareholding pattern to the stock exchange(s) for the quarter ended June, 2020 by delay of one day.*
4. *The listed entity had filed reconciliation of share capital audit report to the stock exchange(s) for the quarter ended June, 2020 by delay of twenty-two days.*
5. *The listed entity had not filed the disclosure of material impact of COVID-19 pandemic to the stock exchange(s).*
6. *The Company had defaulted in repayment of loans obtained from financial institutions and banks. The Company has entered into agreement with M/s. Alchemist Assets Reconstruction Company Limited regarding the repayment of the loans as the lender banks (i.e. that Oriental Bank of Commerce, Allahabad Bank, Punjab National Bank, India Overseas Bank and Syndicate Bank) have assigned their dues to M/s. Alchemist Assets Reconstruction Company Limited. During the period under review, the Company has defaulted in repayment of loans amounting to Rs. 24.83 Crores of M/s. Alchemist Assets Reconstruction Company Limited.*
7. *Bank of Baroda (erstwhile Vijaya Bank) has sanctioned OTS with additional stipulation of charging interest and adjusted no lien FDR of Rs. 3 Crores plus accumulated interest without acceptance of OTS approval by the Company. However, the Company has requested to remove the additional stipulation of charging interest and filed writ petition in Hon’ble High Court of Delhi for refund no lien FDR and the case is still pending before Hon’ble High Court of Delhi.”*

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our secretarial audit reports for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

21. ***Our Company has revalued its Property, Plant & Equipment as on March 31, 2023 by adopting revaluation model, in accordance with Ind AS 16, based on valuation report of an independent registered valuer. Earlier these Property, Plant & Equipment were valued on cost model. Owing to the said revaluation of assets, there have been material changes and adjustments in our Financial Statements.***

Our Company has revalued its Property, Plant & Equipment as on March 31, 2023 by adopting revaluation model, in accordance with Ind AS 16, based on valuation report of an independent registered valuer. Earlier these Property, Plant & Equipment were valued on cost model. The details of change in the aggregate of the net carrying value, pursuant to the revaluation as stated above, Property, Plant & Equipment is as follows:

Description	Amount of change	Percentage of change
Property, Plant & Equipment	Rs. 7,3075 lakhs	407%

We cannot assure you that such revaluation of assets will be construed positively by our Statutory Auditors and regulatory authorities. Owing the said revaluation there have been material changes in the Financial Statements. The effect of revaluation has been recognized in Other Comprehensive Income and credited to Revaluation Surplus in Other Equity. Revaluation of PPE has been considered as a key audit matter by our Statutory Auditor due to the magnitude of the underlying amount and judgement involved in the assessment of fair value of these assets. We cannot assure you that an adverse remark or qualification will not be added by our Statutory Auditors in our Financial Statements on account of the said revaluation or that adverse actions will not be initiated by the regulatory authorities against our Company for undertaking material adjustments in our Financial Statements. Upon the occurrence of the aforementioned event, our Company may seek further legal recourse, which could be time consuming and costly and the outcome cannot be guaranteed. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and brand image.

22. *Our hotel business is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition.*

We operate in an industry that is seasonal in nature. Our revenues are generally higher during the second half of the Financial Year as compared to first half of the Financial Year. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the complete Financial Year. The seasonality and cyclicity of our industry may contribute to fluctuations in our results of operations and financial condition.

23. *Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.*

Our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

24. *Some of the raw materials that we use are inflammable in nature. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our manufacturing unit. Any accidents is likely to result in loss of property of our Company and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.*

The key raw materials used by us for manufacturing our products are eco-friendly waste paper and recovered paper. Due to its combustible nature the semi-finished or finished products manufactured by us, we might be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human

life, damage to our and third-party property or cause environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition. In addition to the loss as a result of such fire or industrial accident, any shutdown of any of our manufacturing unit may result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition.

Further, any fire or industrial accident, any shutdown of our manufacturing unit or any environmental damages will increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. We cannot assure you that despite our best efforts we will not face similar situations at our manufacturing unit which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company, though adequately insured, may or may not be recoverable through the insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

25. Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it may have a material adverse effect on our Company's results of operations and financial condition. There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

26. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

- 27. *Operation of our hotel entails certain costs that we may not be able to adjust in a timely manner in response to reduction in demand and revenues and rising expenses and which could materially adversely affect our business, financial condition and results of operations.***

The costs associated with owning hotel, including committed maintenance costs, property taxes and maintaining minimum levels of services, may be significant. We may not be able to reduce these costs in a timely manner in response to changes in demand for services. Further, our hotel could be subject to an increase in operating and other expenses due to adverse changes in terms of our hotel management contracts, increasing age of our property and increases in property and different tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could adversely affect our business, financial condition and results of operations.

- 28. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our current name and logo, is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Further, our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark and the logo or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or proprietary rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. We can neither assure you that we will be successful in such a challenge nor guarantee that eventually our name and logo will be registered in our name under the provisions of the Trademarks Act, 1999. As a result, we may not be able to prevent acts of counterfeiting or imitation of our name and logo and a passing off action may not provide sufficient protection until such time that registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations and financial condition.

- 29. *We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we***

may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our product development team. In the event, any breach of our systems or software leads to the leaking of our research and development, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our information technology systems are also a critical part of our hotel business, and sophisticated technology and systems are used for hotel management, revenue management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programme, distribution and guest amenities. Whilst a centralized data recovery system is maintained, damage or interruption to our information systems may require a significant investment to update or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems, could severely affect our ability to conduct normal business operations and, as a result, may have a material adverse effect on our business operations and financial performance. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, data sharing, errors, hacking and system failures. Further, our mobile and internet-based customer applications and interfaces may be open to being hacked or compromised by third parties. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations. We may also have to make substantial additional investments in new technologies or systems to remain competitive and protect our data. The technologies or systems that we choose may not be commercially successful or the technology or system strategy employed may not be sufficiently aligned with the needs of the business or responsive to changes in business strategy. As a result, we could lose customers, fail to attract new customers or incur substantial costs or face other losses, any of which could have a material and adverse effect on our business operations and financial performance.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

30. We are exposed to a variety of risks associated with safety, security and crisis management.

There are inherent risks of accidents or injuries at our hotel caused by events such as extreme weather, occurrence of natural disasters including floods, earthquakes, tornadoes, explosions, pandemics, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, fire and day-to-day accidents, health crisis of guests, sexual harassment at the workplace and petty crimes which could affect guest or employee experience, cause the damage to the hotel, cause loss of

life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Further, terror attacks at hotels in India in the past and concerns around women's safety led to a decline in foreign tourist arrival in India. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us to significant reputational damage. Any accidents or criminal activity at our hotels may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could also subject us to litigation, which may increase our expenses if we are found liable and adversely impact our results of operation and financial condition. Such events could also affect our reputation and cause a loss of consumer confidence in our business.

31. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our hotel and manufacturing operations and, consequently, our business.*

As on the date of this Letter of Offer, our Registered Office, the land on which our manufacturing unit is situated and our hotel premises have been taken on lease by our Company from third parties. For details, please refer to the chapter titled “*Our Business*” on page 97 of this Letter of Offer. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such lease and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

32. *Demand for rooms in our hotel may be adversely affected by the increased use of business-related technology or change in preference of our guests.*

Businesses’ increased use of teleconference and video-conference technology could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without travelling to a centralized meeting location, such as our hotel. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms may decrease from business travelers. Similarly, changes in tourism and preferences of our guests due to evolving cost of travel, spending habits, and consumption patterns may change the perceived attractiveness of our hotel, services, and locations at which our hotel is situated. Such changes may impact the demand for our hotel rooms from tourists and guests at our leisure hotel, and our business may be adversely affected.

33. *Our hotel operations require the services of third parties on which we depend. There is no assurance in the performance of their obligations in a timely manner or at all.*

We require the services of third parties for our hotel operations. These third parties include contractors, subcontractors, architects, engineers, suppliers of labour and materials such as linen, furniture, carpeting, food, beverages and other consumables. We have outsourced, and may in the future continue to outsource, several services required in our operations such as cleaning, technology and security services to third parties. Further, our business involves providing services to our customers. Maintaining an inventory of items such as food items or other consumables demands significant logistical effort. If our service providers fail to perform their respective obligations satisfactorily, or if there are shortages, whether caused by factors outside our control or otherwise, we may be unable to deliver our services within the intended timeframe, at the intended cost, or at all. In such circumstances, any remedial measures that we may undertake may require us to incur additional cost or time, which could result in reduced profits, which may in turn materially and adversely affect our business, reputation, financial condition, results of operations and prospects.

34. *Our Company does not have any documentary evidence for the educational qualifications and experience of some of our Directors and Senior Management.*

Our Promoters, certain Directors, Key Managerial Personnel and Senior Management, are unable to trace documents evidencing their educational qualifications and past professional experience. Due to lack of documents and relevant information from such Promoters, certain Directors, Key Managerial Personnel and Senior Management, we have disclosed their details in the chapter titled “*Our Management*” as is required under the SEBI ICDR Regulations, based on affidavits obtained from each of such Promoters, certain

Directors, Key Managerial Personnel and Senior Management. For further details, please refer to the chapter titled “*Our Management*” on page 111 of this Letter of Offer.

35. *Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company’s operations.*

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing unit and our hotel premises, some of which have been granted for a fixed period of time and need to be renewed from time to time. As of date of this Letter of Offer, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same.

Further, our licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company’s operations and may adversely affect our business.

36. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.*

Our Company seeks to grow its market reach domestically and internationally to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers’ taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and services and our Company might not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products and services to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which might have an adverse effect on our business, results of operations and financial condition.

37. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations may adversely affect our business, financial condition and results of operation.*

In order to ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit and transportation of our products from our unit to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products is likely to have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in a timely, efficient and reliable manner may adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with our transporters and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which might adversely affect our business, results of operations and financial condition.

38. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.*

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

39. *We have significant power requirements for continuous running of our manufacturing unit and our hotel. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.*

Our manufacturing unit and our hotel have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing unit and our hotel get a significant amount from third parties and therefore we are highly dependent on third party power suppliers for running our business operations. Since, we have a high-power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and our hotel and thereby cause an increase in the operation cost which we may not be able to pass on to our customers. We cannot assure you that in case of power disruption or increase in the tariff rates or similar unforeseen circumstances, we will not be forced to approach third parties power suppliers for availing power supply in addition to the amount sanctioned to us. We also cannot assure you that we will be able to avail the power supply at prices acceptable to us, or that we will be able to pass on any increase in the price of power supply to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which will negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “Our Business” on page 97 of this Letter of Offer.

40. *Our industry is competitive and our inability to compete effectively will adversely affect our business, results of operations, financial condition and cash flows.*

The industries in which we operate are fragmented and competitive with several regional brands and retailers present in local markets across the country. The paper market in India has historically been dominated by the unorganized sector. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

We cannot assure you that we will be able to effectively and successfully compete in future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. For further details, please see “*Industry Overview*” on page 81 of this Letter of Offer.

41. Our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters, Directors, Key Managerial Personnel and Senior Management, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors, Key Managerial Personnel and Senior Management may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled “*Financial Information*” at page 128 of this Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Managerial Personnel and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors, Key Managerial Personnel and Senior Management may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

42. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately 51.36% of the paid-up equity share capital of our Company. While, our Promoters and members of our Promoter Group, have informed us that they may not participate in the Rights Issue. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters’ shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

43. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.

The details of our contingent liabilities are as follows:

(₹ in lakhs)				
S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Service Tax Law	164.01 /-(Interest & penalty)	164.01/-(Interest & penalty)	164.01/-(Interest & penalty)
2.	DEPB Case	-	10.23/- (Plus Penalty)	10.23/- (Plus Penalty)
Total		164.01/-	174.24/-	174.24/-

For further details of contingent liability, see the section titled — “*Financial Information*” on page 128 of this Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

44. We have in past entered into related party transactions and we may continue to do so in the future.

As of September 30, 2023, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please see the section titled “*Financial Information*” at page 128 of this Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

45. *In addition to the existing indebtedness our Company may incur further indebtedness during the course of business. We cannot assure that our Company would be able to service the existing and/or additional indebtedness.*

In addition to the indebtedness for the existing operations of our Company, may incur further indebtedness during the course of our business. We cannot assure you that our Company will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service the indebtedness of our Company or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — "*Financial Information*" on page 128 of this Letter of Offer.

46. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

47. *Our success largely depends upon the knowledge and experience of our Promoters, Directors, our Key Managerial Personnel and Senior Management. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.*

The growth and success of our Company's future significantly depends upon the experience and continued services and the management skills of our Key Managerial Personnel and Senior Management and the guidance of our Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and Senior Management and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel and Senior Management in the past, however, any attrition of our experienced Key Managerial Personnel and Senior Management, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel and Senior Management who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel and Senior Management may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business.

48. *Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable*

regulations, may adversely affect our business, results of operations and financial condition.

Our Company is engaged in the business of manufacturing, trading and exporting paper, which makes it mandatory for us to comply with extensive laws and government regulations, including in relation to safety, health and environmental protection. In view of the nature of our manufacturing process and the significant quantity of water utilized in processing of waste paper, our processing facility generates a considerable amount of water waste which is treated in-house through a zero-discharge effluent treatment plant installed in the said facility. We cannot assure you that there will not arise a situation wherein we shall not be able to effectively treat the industrial waste, thereby failing to comply with the necessary procedures and requirements laid down under the applicable environmental laws. On the occurrence of any of the above events, we could face regulatory action which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing unit on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing unit due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc. Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

- 49. Our Company is highly dependent on skilled and unskilled labour for manufacturing of our products. Our manufacturing processes are labour intensive, therefore our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire skilled and unskilled labour, in sufficient numbers and the quality and quantity of our products being manufactured in our unit can get affected.***

Our operations are significantly dependent on access to a large pool of laborers for operation of our manufacturing unit. Our dependence on skilled and unskilled labour may result in significant risks for our operations, relating to the availability and skill of such labourers, as well as contingencies affecting availability of such laborers during peak periods. Further, our manufacturing unit are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In the event, we are unable to source adequate numbers of laborers for our manufacturing unit or if we are exposed to an increased expense due to the surge in the wages of such laborers we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages paid to the labours, we may have to increase the cost of our product which would directly impact our customers. In the event, we are unable to deploy the required number of labours to run

our manufacturing unit for addressing such increased demand of our products, we might not be able to efficiently and timely satisfy the demand of our customers. We believe our employees and labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations and could adversely affect our results of operations and financial position.

50. Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our manufacturing process requires the use of machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. Further, the key raw material used by us for manufacturing our products is paper. Due to its combustible nature of paper and the semi-finished or finished products manufactured by us, we may be exposed to fires or other industrial accidents and every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. With the use of chemicals, boilers, large volume of air for material handling, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. If there occurs an accident or mishap due to fire, it could adversely affect our results of operations and financial position.

There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. We have adopted adequate safety measures; however, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it may adversely affect our results of operations and financial position.

51. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Similarly, due to our sacrosanct reliance on our primary raw material being cotton we are exposed to a risk of increase in costs of raw materials due to the currency fluctuations. Further, our international operations (export sales) make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows.

52. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 48 of this Letter of Offer.

53. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.*

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

54. *We are required to comply with data privacy regulations.*

The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information. Compliance with these regulations may require changes in the way data is collected, monitored, shared and used, which could increase operating costs or limit the advantages from processing such data. In addition, non-compliance with data privacy regulations may result in fines, damage to reputation or restrictions on the use or transfer of information. In addition, breaches in security could expose us, our customers or the individuals affected, to a risk of loss or misuse of this information, resulting in litigation and potential liability for us, as well as the loss of existing or potential customers and damage to our reputation. The cost and operational consequences of implementing further data protection measures could be significant, and this may have a material adverse effect on our business, financial condition and results of operations.

55. *Renovation work, repair and maintenance or physical damage of our hotel may disrupt our operations and revenue.*

We undertake renovation of our hotel from time to time in order to retain its attractiveness to customers and may also require unscheduled maintenance or repairs due to wear and tear or requirements of laws or regulations. The costs of maintaining our hotel and the risk of unforeseen maintenance or repair requirements may increase over time for various reasons. The business and operations of our hotel may be disrupted for an extended period of time as a result of renovation works and it may result in a partial or full loss of income during the time of such renovation works. The required works may impose unbudgeted costs on us, to the extent not covered by insurance, and may adversely affect our business, financial condition, results of operations and prospects.

56. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.*

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

57. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled*

“Objects of the Issue”.

As the issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. We hereby confirm and undertake that the deployment of funds will be done in compliance with all applicable laws. For further details, please refer to the chapter titled — *“Objects of the Issue”* on page 71 of this Letter of Offer.

- 58. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled *“Industry Overview”* of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

ISSUE SPECIFIC RISKS

- 59. *We will not distribute the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Master Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

- 60. *SEBI has recently, by way of SEBI Master Circular, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Master Circular and ensure completion of

all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 239 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned / reversed / failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

61. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the circular SEBI Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form. For details, please refer chapter “*Terms of the Issue*” on page 239 of this Letter of Offer.

62. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 239 of this Letter of Offer.

63. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

64. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

65. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

66. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

67. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

68. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.*

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors,

changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

69. *Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

70. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

71. *Investors will not have the option of getting the allotment of Equity Shares in physical form.*

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “*Terms of the Issue*” on page 239 of this Letter of Offer. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

72. *There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.*

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchange, which would adversely affect your ability to sell our Equity Shares.

73. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

74. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

75. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.*

Our summary statements of assets and liabilities and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity, as per the Financial Statements, have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

76. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation

policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

77. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

78. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

79. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange's indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

80. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

81. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

82. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

83. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect our industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a

concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2023 (“**Budget 2023**”), pursuant to which the Finance Bill 2023 (defined below) has proposed various amendments. The Finance Bill, 2023 became the Finance Act, 2023 March 31, 2023 and has come into effect with effect from April 1, 2023. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in noncompliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2024, following which the Finance Bill, 2023 was introduced in the Lok Sabha on February 1, 2023. The Finance Bill 2023 is yet to receive the assent from the President of India, post which became the Finance Act, 2022 (“**Finance Act 2023**”). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2023 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2023 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as “gig workers” and “platform workers” and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

84. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

85. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on October 13, 2023 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “*Terms of the Issue*” on page 239 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 90,59,433 Equity Shares
Rights Entitlement	Upto two (02) Equity Share(s) for every eleven (11) fully paid-up Equity Share(s) held on the Record Date, being Thursday, January 25, 2024.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 6 Equity Shares or is not in multiples of 6, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	Thursday, January 25, 2024
Face value per Equity Shares*	₹ 10/-
Issue Price per Rights Equity Shares	₹ 54/-
Issue Size	Upto ₹ 90,59,433 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 54/- (Including a premium of ₹ 44/-) per Rights Equity Share not exceeding an amount of ₹ 4,892.09 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and are outstanding prior to the Issue	4,98,26,884 Equity Shares
Equity Shares paid-up and outstanding prior to the Issue	4,98,26,884 Equity Shares
Equity Shares issued, subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	5,88,86,317 Equity Shares
Money payable at the time of Application/ Terms of payment	₹ 54/-
Scrip Details	ISIN: INE387I01016 BSE: 532896 Symbol: MAGNUM Rights Entitlement ISIN: INE387I20016
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 71 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 239 of this Letter of Offer.

Please refer to the chapter titled “*Terms of the Issue*” on page 239 of this Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Wednesday, February 07, 2024
Last Date for On Market Renunciation of Rights Entitlement*	Friday, February 16, 2024
Issue Closing Date**	Wednesday, February 21, 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

GENERAL INFORMATION

Our Company was incorporated under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana under the name '*Magnum Papers Private Limited*' and a certificate of incorporation dated May 29, 1980 was issued by the Registrar of Companies, Delhi and Haryana. Our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on February 15, 1995 and consequently the name of our Company was changed to '*Magnum Papers Limited*' and a fresh certificate of incorporation dated May 31, 1995 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Subsequently, pursuant to a resolution passed by the Shareholders in their EGM held on September 4, 2006, the name of our Company was changed to '*Magnum Ventures Limited*' and a fresh certificate of incorporation dated November 15, 2006 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. At the time of incorporation, the Registered Office of our Company was situated at 75-A, Sunder Nagar, New Delhi. The details of the changes undertaken in the Registered Office of our Company have been provided below:

S. No.	Date of change	Particulars of change
1.	January 8, 1985	The Registered Office was subsequently shifted from 75-A, Sunder Nagar, New Delhi to 687, 1 st Floor, Chitla Gate, Chawri Bazar, Delhi – 110 006, India.
2.	February 7, 2003	The Registered Office was subsequently shifted from 687, Chitla Gate, Chawri Bazar, Delhi – 110 006, India to 24/6, Samaypur Badli, Railway Road, Samaypur, Yadav Nagar, Delhi – 110 042, New Delhi, India.
3.	March 25, 2004	The Registered Office was subsequently shifted from 24/6, Samaypur Badli, Railway Road, Samaypur, Yadav Nagar, New Delhi – 110 042, Delhi, India to 2/2, Basement, Ansari Road, Daryaganj, New Delhi – 110 002, Delhi, India.
4.	February 4, 2006	The Registered Office was subsequently shifted from 2/2, Basement, Ansari Road, Daryaganj, New Delhi – 110 002, Delhi, India to "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002, Delhi, India.
5.	August 14, 2012	The Registered Office was subsequently shifted from "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002, Delhi, India to 685, Chitla Gate, Chawri Bazar, Central Delhi – 110 006, Delhi, India.
6.	September 27, 2017	The Registered Office was subsequently shifted from 685, Chitla Gate, Chawri Bazar, Central Delhi – 110 006, Delhi, India to Office No. 205, 2 nd Floor, Building No. 4326, Street No. 3, Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India.
7.	June 25, 2021	The Registered Office was subsequently shifted from Office No. 205, 2 nd Floor, Building No. 4326, Street No. 3, Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India to H.No. - M.N. 01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi – 110024, Delhi, India.

Registered Office of our Company

Magnum Ventures Limited

H. No. - M.N. 01, Hub and Oak,
E-14, Lower Ground Floor,
Defence Colony,
New Delhi – 110 024,
Delhi, India

Telephone: +91 114 242 0015

Fax No.: N.A.

E-mail: info@magnumventures.in

Website: www.magnumventures.in

Registration Number: 010492

CIN: L21093DL1980PLC010492

Corporate Office of our Company (where books of accounts are maintained)

18/41, Site IV, Industrial Area,
Sahiababad, Gaziabad - 201 010
Uttar Pradesh, India

Telephone: +91 120 419 9200

Fax No.: N.A.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Delhi and Haryana at Delhi situated at the following address:

Registrar of Companies,

4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi – 110 019,
Delhi, India.

Telephone: +91 011 2623 5707, 2623 5708, 2623 5709

Facsimile: 011 2623 5702

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Letter of Offer:

Name	Age	Designation	Address	DIN
Parveen Jain	61	Chairman and Non-Executive Director	4326/3, Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India	00423833
Abhay Jain	50	Managing Director	113/3-4 Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India	01876385
Pradeep Kumar Jain	64	Managing Director	113/3-4 Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India	00024879
Shiv Pravesh Chaturvedi	49	Whole-Time Director	House No. C-1103, Arunima Palace, Sector-4, Vasundhra, Ghaziabad- 201 012, Uttar Pradesh, India.	06834388
Jyoti	31	Independent Director	B-3/ 488A, Tara Nagar, Sector 15, Kakrola, South West Delhi – 110 078, Delhi, India.	08296989
Shalini Rahul	50	Independent Director	C-2/503, Lotus Pond, Vaibhav Khand, Indirapuram, Shipra Sun City, Ghaziabad – 201 014, Uttar Pradesh, India.	09357650
Aanchal Jain	44	Independent Director	192, Jaipur House, Agra – 282 010, Uttar Pradesh, India	05348101
Jyoti Bansal	31	Independent Director	21, New Layal Pur Extension, Krishna Nagar, Gandhi Nagar, Delhi – 110 051, Delhi, India.	08489503

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 111 of this Letter of Offer.

Chief Financial Officer

Parv Jain, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

18/41, Site IV, Industrial Area,
Sahiababad, Gaziabad - 201 010
Uttar Pradesh, India

Telephone: +91 120 455 1502

Fax No.: N.A.

E-mail: parv@cissahibabad.in

Company Secretary and Compliance Officer

Aaina Gupta, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

18/41, Site IV, Industrial Area,
Sahiababad, Gaziabad - 201 010
Uttar Pradesh, India

Telephone: +91 120 455 1512

Fax No.: N.A.

E-mail: cs_mvl@cissahibabad.in

Details of Key Intermediaries pertaining to this Issue of our Company:

Registrar to the Issue

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi-110 020,
Delhi, India.

Telephone: +91 112 638 7281/83

Facsimile: +91 112 638 7384

E-mail: investor@masserv.com

Website: www.masserv.com

Investor grievance: inverstor@masserv.com

SEBI Registration No: INR000000049

Contact person: N C Pal

Legal Advisor to the Issue

T&S Law

Door Number 1202, Devika Towers,
Ghaziabad – 201 017, Uttar Pradesh, India

Telephone: +91 931 022 0585

Email: info@tandslaw.in

Statutory and Peer Review Auditor of our Company

Sahni Bansal & Associates,

Chartered Accountants
113/10, First Floor, Navyug Market,
Gaziabad – 201 001,
Uttar Pradesh, India.

Telephone: +91 981 003 6941

Email: sahnibansalca@yahoo.co.in

Contact Person: Pardeep Surrinder Sahni

Membership No.: 093866

Firm Registration No.: 514470C

Peer Review Certificate No.: 012151

Bankers to the Issue/ Refund Bank

Kotak Mahindra Bank Limited

Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK, Vaidya Marg, Malad (East)
Mumbai – 400 097 Maharashtra, India.

Telephone: +91 226 605 6603

Facsimile: +91 226 713 2416

E-mail: cmsipo@kotak.com

Website: www.kotak.com

Contact Person: Siddhesh Shirodkar

SEBI Registration Number: INBI00000927

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated

from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹5,000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 12, 2023 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated December 12, 202 on our Restated Financial Information for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; (ii) limited reviewed report dated November 10, 2023 on the Limited Reviewed Financial information for the six-month period ended September 30, 2023 in this Letter of Offer; and (iii) the statement of tax benefits dated December 12, 2023 in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer was filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, this Letter of Offer will be submitted with SEBI for information and dissemination purposes and will be filed with the Stock Exchanges.

Changes in Auditors during the last three years

Except as stated below, there has not been any change in the statutory auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
Sahni Bansal & Associates Chartered Accountants 113/10, First Floor, Navyug Market, Ghaziabad – 201 001, Uttar Pradesh, India. Telephone: +91 981 003 6941 Email: sahnibansalca@yahoo.co.in Firm Registration No.: 514470C Peer Review Certificate No.: 012151	September 20, 2023	Appointment of the auditor in the capacity of the Statutory Auditor of our Company, for a period of five years.
M/s. Aggarwal & Rampal Chartered Accountants 2nd Floor, 19, Local Shopping Complex, Madangir New Delhi – 110062 Delhi, India. Telephone: +91 114 051 2886/ 87/ 88 Email: vinay@aggarwalrampal.com Firm Registration No.: 003072N	September 20, 2023	Cessation of the auditor on account of expiry of term.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Wednesday, February 07, 2024
Last Date for On Market Renunciation of Rights Entitlement [#]	Friday, February 16, 2024
Issue Closing Date [*]	Wednesday, February 21, 2024

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Monday, February 19, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, February 20, 2024.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date.

Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue - Process of making an Application in the Issue*” on page 240 of this Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders

on the website of the Registrar at www.masserv.com, after keying in their respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 250 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project. However, our Promoters and members of our Promoter Group have vide their letters each dated December 12, 2023 informed us that they shall be renouncing their entire Rights Entitlements to third parties. Accordingly, minimum subscription criteria provided under Regulation 86(1) of the SEBI ICDR Regulations shall apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI Master Circular. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

(Amount in ₹ Lakhs, except share data)

S. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	7,78,25,000 Equity Shares of ₹ 10 each	7,782.50	
	30,00,000 preference shares of ₹ 100 each	3,000.00	
	Total Authorised Share Capital	10,782.50	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue[^]		
	4,98,26,884 Equity Shares of face value of ₹ 10 each ⁽¹⁾	4,982.68	
	14,77,500 preference shares of face value of ₹ 100 each ⁽²⁾	1,477.50	
	Total Issued, Subscribed and Paid-Up Share Capital	6,460.186	
C.	Present Issue in terms of this Letter of Offer⁽³⁾		
	Up to 90,59,433 Equity Shares of ₹ 10 each	-	4,892.09
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue⁽⁴⁾		
	5,88,86,317 Equity Shares of face value of ₹ 10 each	5,888.63	
E.	Issued, Subscribed and Paid-Up Share Capital post conversion of Warrants⁽⁵⁾		
	6,76,76,884 Equity Shares of face value of ₹ 10 each	6,767.69	
	14,77,500 preference shares of face value of ₹ 100 each	1,477.50	
	Total Issued, Subscribed and Paid-Up Share Capital post conversion	8,245.19	
F.	Securities Premium Account		
	Before the Issue	5,386.29	
	After the Issue	9,974.44	

⁽¹⁾Our Board and Shareholders have, pursuant to resolutions dated January 10, 2023 and February 8, 2023, respectively, approved an issuance of upto 1,77,50,000 warrants (“**Warrants - I**”) by way of a preferential issue on a private placement basis, convertible into Equity Shares at an exercise price of ₹ 25 (including a premium of ₹ 15 per Equity Share) each convertible into one Equity Shares having a face value of ₹ 10 each aggregating up to an amount of ₹ 4,437.50 lakhs to Pradeep Kumar Jain, Parmod Kumar Jain, Parv Jain and Abhay Jain. Further, our Board and Shareholders have, pursuant to resolutions dated August 21, 2023 and September 20, 2023, respectively, approved an issuance of upto 1,23,25,000 warrants (“**Warrants - II**”) by way of a preferential issue on a private placement basis, convertible into Equity Shares at an exercise price of ₹ 40.10 (including a premium of ₹ 30.10 per Equity Share) each convertible into one Equity Shares having a face value of ₹ 10 each aggregating up to an amount of ₹ 4,942.32 lakhs to Pradeep Kumar Jain, Parmod Kumar Jain, Parv Jain and Abhay Jain, Veena Jain and RMJ Securities Private Limited. (“**Warrants -I and Warrants II**”, collectively referred to as the “**Warrants Issue**”)

[^]The Board of Directors of our Company in their meeting held on December 12, 2023 have approved raising of funds by way of issuance of listed secured non-convertible debentures (“**NCDs**”) on a private placement basis, in one or more tranches, for an amount aggregating up to ₹ 15,000 lakhs. The detailed terms and conditions of the proposed issue, including the issue price of the NCDs shall be decided by the Board in due course of time. The Board of Directors have pursuant to a resolution passed in their meeting held on January 2, 2024 and subject to the approval of the Shareholders in the EGM proposed to be held on January 24, 2024, the amount of the issuance of the NCDs has been increased from ₹ 15,000 lakhs to ₹ 15,500 lakhs.

⁽²⁾The preference shares are in the nature of zero percent coupon rate, non-convertible, non-cumulative redeemable preference shares. The preference share are redeemable in one or more tranches after five years from the date of issuance of preference shares and within a period not exceeding twenty years or such lesser period as may be mutually agreed between holder of preference share and our Company.

⁽³⁾The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated October 13, 2023. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board at its meeting held on January 18, 2024.

⁽⁴⁾Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

⁽⁵⁾Assuming full conversion of Warrants

NOTES TO CAPITAL STRUCTURE

1. Details of outstanding instruments as on the date of this Letter of Offer:

Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer:

Warrants

Our Board and Shareholders have, pursuant to resolutions dated January 10, 2023 and February 8, 2023, respectively, approved an issuance of upto 1,77,50,000 Warrants by way of a preferential issue on a private placement basis, convertible into Equity Shares at an exercise price of ₹ 25 (including a premium of ₹ 15 per Equity Share) each convertible into one Equity Shares having a face value of ₹ 10 each aggregating up to an amount of ₹ 4,437.50 lakhs to Pradeep Kumar Jain, Parmod Kumar Jain, Parv Jain and Abhay Jain. The details of conversion of Warrants into Equity Shares have been provided below:

Date of Allotment	Name of Allottee	Number of Equity Shares allotted
April 10, 2023	Parmod Kumar Jain	14,31,250
	Pradeep Kumar Jain	14,31,250
	Abhay Jain	14,31,250
	Parv Jain	14,31,250
February 22, 2023	Parmod Kumar Jain	11,25,000
	Pradeep Kumar Jain	11,25,000
	Abhay Jain	11,25,000
	Parv Jain	11,25,000

Further, pursuant to the approval of the Board of Directors of our Company at its meeting held on August 21, 2023 and approval of the Shareholder of our Company at its Annual General Meeting held on September 20, 2023 and pursuant to the in-principle approval granted by BSE Limited and National Stock Exchange of India Limited vide their letters each dated October 27, 2023, the Board of Directors of our Company, has in its meeting held on November 10, 2023, considered and approved the allotment of 1,23,25,000 warrants (“Warrants – II”) at a price of ₹ 40.10/-, aggregating upto ₹ 4,942.32 lakhs on preferential basis. Each Warrant-II, so allotted, is convertible into or exchangeable for one fully paid-up equity share of the Company having face value of ₹ 10/- each in accordance with the provisions of SEBI ICDR Regulations on payment of the balance consideration of ₹ 30.075 per Warrant-II, being 75% of the issue price per Warrant-II from the Proposed Allottees pursuant to exercise of conversion option against each such Warrant-II, within 18 months from the date of allotment of Warrants-II. The details of allotment of Warrants -II have been provided below:

Date of Allotment	Name of Allottee	Number of Warrants-II allotted
November 10, 2023	Parmod Kumar Jain	20,00,000
	Pradeep Kumar Jain	20,00,000
	Abhay Jain	20,00,000
	Parv Jain	20,00,000
	Veena Jain	23,25,000
	RMJ Securities Private Limited	20,00,000

The details of conversion of Warrants-II into Equity Shares have been provided below:

Date of Allotment	Name of Allottee	Number of Equity Shares allotted
January 18, 2024	RMJ Securities Private Limited	20,00,000

As on January 18, 2024, 1,78,50,000 Warrants issued by our Company are outstanding and their conversion will entitle the holders to 1,78,50,000 Equity Shares, assuming full conversion of the Warrants. The right of the Warrants-I holders, to convert their 75,25,000 Warrants-I into Equity Shares of our Company expires on August 13, 2024. Further, the right of the Warrants-II holders to convert their 1,03,25,000 Warrants-II into Equity Shares of our Company expires on May 9, 2025.

2. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

The objects of the Issue involve financing other than financing of capital expenditure for a project. However, our Promoters and members of our Promoter Group have vide their letters each dated December 12, 2023 informed us that they shall be renouncing their entire Rights Entitlements to third parties. Accordingly, minimum subscription criteria provided under Regulation 86(1) of the SEBI ICDR Regulations shall apply to this Issue. In

accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI Master Circular. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations

- i. The shareholding pattern of our Company as on December 31, 2023, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/magnum-ventures-ltd/magnum/532896/shareholding-pattern/> and website of NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MAGNUM&tabIndex=equity>.
- ii. Statement showing shareholding pattern of the Promoters including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2023 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532896&qtrid=120.00&QtrName=December%202023> and website of NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MAGNUM&tabIndex=equity>.
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532896&qtrid=120.00&QtrName=December%202023> and website of NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MAGNUM&tabIndex=equity>.

4. Details of shares locked-in, pledged, encumbrance by Promoter and promoter group:

Except as stated below, as on the date of this Letter of Offer, the shareholding of our Promoters and members forming part of our Promoter Group have not been pledged or otherwise encumbered:

Pursuant to the Warrants Issue and in accordance with Regulation 167 of the SEBI ICDR Regulations, the Warrants and Equity Shares held by our Promoters and members of our Promoter Group have been locked-in, in the following manner:

S. No.	Name of Promoter or member of Promoter Group	Number of Equity Shares locked-in	Number of Warrants locked-in
1.	Pradeep Kumar Jain	27,56,900	38,81,250
2.	Abhay Jain	34,91,440	38,81,250
3.	Parmod Kumar Jain	27,56,400	38,81,250
4.	Parv Jain	25,56,250	38,81,250
5.	Veena Jain	3,85,000	23,25,000

Further, in accordance with Unattested Deed of Pledge of Shares dated July 29, 2023 executed by Pradeep Kumar Jain (HUF), Parmod Kumar Jain (HUF), Ujjwal Jain, Shrenik Jain, Veena Jain and Ritesh Jain, in favour of RMJ Securities Private Limited, the following Equity Shares held by our Promoters and members forming part of our Promoter Group have been pledged to secure the inter-corporate deposit of ₹ 600.00 lakhs availed from RMJ Securities Private Limited:

S. No.	Name of Shareholder	Equity Shares pledged
1.	Pradeep Kumar Jain (HUF)	1,50,000
2.	Parmod Kumar Jain (HUF)	4,30,000
3.	Ujjwal Jain	1,76,000
4.	Shrenik Jain	2,56,000
5.	Veena Jain	3,85,000
6.	Ritesh Jain	1,78,000

Pursuant to an agreement for pledge of Equity Shares executed on May 25, 2012 by Praveen Kumar Jain in favour of Punjab National Bank, 1,39,72,490 Equity Shares held by Praveen Kumar Jain were pledged in favour of the said lender.

5. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Letter of Offer:

The details of the acquisition made by our Promoters and members of our Promoter Group in the preceding one year can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/magnum-ventures-ltd/magnum/532896/disclosures-insider-trading-2015/> and the website of NSE at <https://www.nseindia.com/get-quotes/equity?symbol=MAGNUM>.

Except as mentioned above and under the heading “*Details of outstanding instruments as on the date of this Letter of Offer – Warrants*”, our Promoters and members of our Promoter Group, have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Letter of Offer.

6. Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital

The table sets forth the details of Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as of December 31, 2023:

S. No.	Name of Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Parv Jain	25,56,250	5.34
2.	Pardeep Kumar Jain	27,56,900	5.76
3.	Abhay Jain	34,91,440	7.30
4.	Parmod Kumar Jain	27,56,400	5.76
5.	Praveen Kumar Jain	1,66,48,510	34.81
6.	Prasann Choraria And Sons HUF	574813	1.20

7. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ 56.28/- per equity share.
8. At any given time, there shall be only one denomination of the Equity Shares of our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

We intend to utilize the Proceeds of the Issue, after deducting the Issue related expenses, as estimated to be ₹ 4,616.70 lacs (the “**Net Proceeds**”).

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Funding purchase of new equipment and modification of existing machinery installed in the pulp section to rewinding section manufacturing unit to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper; and
 2. General Corporate Purposes.
- (Collectively, referred to herein as the “**Objects**”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enable us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Issue Proceeds

The details of the proceeds of the Issue are set out in the following table:

Particulars	Estimated amount
Gross Proceeds from the Issue	4,892.09
(Less) Issue related expenses	275.39
Net Proceeds	4,616.70

(₹ in lacs)

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

Sr. No.	Particulars	Estimated amount
1.	Funding purchase of new equipment and modification of existing machinery installed in the pulp section to rewinding section manufacturing unit to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper	3,471.96
2.	General corporate purposes ⁽¹⁾	1,144.74

(₹ in lacs)

⁽¹⁾ The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Schedule of implementation

We propose to deploy the Net Proceeds towards the aforesaid Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount deployed from internal accruals/sources	Estimated Utilisation of Net Proceeds	
					Fiscal 2024	Fiscal 2025
1.	Funding purchase of new equipment and modification of existing machinery installed in the pulp section to rewinding section manufacturing unit to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper	3,471.96	3,471.96	820.82	1,151.146	1,500.00
2.	General corporate purposes	1,144.74	1,144.74	Nil	457.90	686.84

(₹ in lacs)

Since, the entire fund requirement of the objects detailed above are intended to be funded from the Net Proceeds. In view of the above, we confirm that our Company is not required to obtain firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated

means of finance, excluding the amounts to be raised through the proposed Issue is not applicable.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, quotation from suppliers, and other commercial factors. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial and market condition, government approval and clearance, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, and other external factors including changes in the price of the exhibition material prices which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, subject to compliance with applicable law. For further details, see “*Risk Factors*” beginning on page no 23 of this Letter of Offer.

The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Year(s) towards the Object. In case of variations in the actual utilization of funds earmarked for the purpose set forth or shortfall in the Net Proceeds or delay in raising funds through the Issue, increased fund requirements for a particular purpose may be financed from our internal accruals and/ or debt financing, as required. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 23 of this Letter of Offer.

Deployment of Funds and Sources of Funds

As on date of this Letter of Offer, our Company has deployed certain funds towards the Objects of the Issue. The details of the deployment have been provided below:

<i>(₹ in lakhs)</i>		
S. No.	Particulars	Amount
1.	Deployed from internal accruals/ sources towards payment of advance towards purchase of new equipment and modification of existing machinery installed in the pulp section of our manufacturing unit	820.82

The advance payment made by our Company as disclosed in the above table, have been paid through internal sources and other means. Advance payment made by our Company, as disclosed in the above table, post filing of the Draft Letter of Offer, shall be refunded from the Net Proceeds.

Details of Objects of the Issue

- Funding purchase of new equipment and modification of existing machinery installed in the pulp section to rewinding section manufacturing unit to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper***

Our Company is one of the leading manufacturer of rigid paper in India that finds applications in the packaging of prominent consumer electronics and food products. The existing manufacturing activities cover newprint paper, paperboard, cup stock clay coated paper, cup stock natural shade, food container board, magnum bio pack with nano coat food grade and high strength kraft with an installed capacity of 85,000 TPA (tonnes per annum).

We propose to improve the quality and quantity of newsprint paper, kraft paper and cup stock natural shade paper for which we intend to install latest equipment and undertake modification in the existing machine from Pulp Section to Rewinding Section. We believe that the said equipment will enable us in manufacturing better quality products which will increase our sales and reduce our debtors.

Estimated Costs

A brief description of the estimated cost involved is provided below:

(₹ in lacs)

Particulars	Amount
Total estimated cost (A)	3,471.96
(less) Expenses already incurred as of March 31, 2023 (B)	Not Applicable
Balance amount to be incurred (C) = (A-B)	3,471.96
Amount to be funded from Net Proceeds (D)	3,471.96
Funding required excluding the Net Proceeds (E) = (C- D)	Not Applicable
Funding through internal accruals (F) = (C- D)	Not Applicable
Stated means of finance excluding the Net Proceeds (G) = 75% of (C-D)	Not Applicable
Debt facility (H)	Not Applicable
Equity funding (I)	Not Applicable
Total amount tied up (J+K)	Not Applicable

Location: The proposed installation and modification of machinery will be carried out at the same location as our existing manufacturing unit is located.

Plant Machinery, Technology and Process: The list of Plant and Machinery proposed to be purchased is detailed below:

S. No.	Description of equipment	Purpose of equipment	Quantity/Lot/Set	Amount (Rs. In Lakh)	Name of the Vendors and Date of quotation^	Period of Validity	Expected date of supply
1.	Screen Parts CC bottle Parts Disperser, screw Press parts PM 4	Improvement and Brightness Increased in Pulp QH	5 Set	125.00	M/s Hardayal Engineering Works Private Limited	6 Months	February/ March 2024
2.	High pressure Screen parts Vibrating Screen Parts 3 F Screen PM 4	Improvement and Brightness Increased in Pulp QH	4 Set	125.00	Date of Quotation: January 17, 2024		
3.	Head Box Parts PM 4	For Obtaining Uniform Layer of Pulp	1 Set	50.00	REF.NO: HEW/427/MAGNUM/2023-24		
4.	Size Press Parts PM 4	Chemical Coating on the Surface for improvement in the Quality	1 Set	150.00			
5.	Wire parts Accessories PM 4	Improvement in Dewatering System of Pulp and Increase In Production	2 Set	50.00			
6.	Kuster Calendar Parts PM 4	For surface Smoothness	2 Set	125.00			
7.	MS Dryer Cylinder Complete PM 2	To Increase Production and Drying System.	3 Set	88.00			
8.	MS Dryer Cylinder Complete PM 2	To Increase Production and Drying System.	3 Set	63.00			
9.	Rewinder Unwinding stand arm type Complete PM 2	To Handle the Increased the winding Capacity of the Board.	1 Set	35.00			
10.	C S Coupling for Tumbler Roll PM 2	To Handle the Increased the winding Capacity of the Board.	16 Nos	8.00			

S. No.	Description of equipment	Purpose of equipment	Quantity/Lot/Set	Amount (Rs. In Lakh)	Name of the Vendors and Date of quotation [^]	Period of Validity	Expected date of supply
11.	Dryer Chrome Coating PM 2	To Handle the Increased the winding Capacity of the Board.	2 Nos	30.00			
12.	M.S Framer Cooling Dryer PM 2	To Handle the Increased the winding Capacity of the Board.	1 Set	10.00			
13.	High pressure Screen Parts vibrating Screen Parts and 3 F Screen Parts PM 2	To increased and Remove . Fine Parts from Waste Paper	8 Set	210.00			
14.	R.F vat Internal Parts PM 2	The handle the Increased Capacity of Board	7 Set	350.00			
15.	Size Press Parts PM 2	To handle Increased and Improve Quality of Board	1 Set	250.00			
16.	Try Dise Refiner Internal Press PM 2	To handle Increased and Improve Quality of Board	4 Set	100.00			
17.	Internal Parts of HI Cone Pulper PM 2	To handle Increased and Improve Quality of Board	4 Set	200.00			
18.	Conveyer Parts PM 2 & PM 4	To handle Increased and Improve Quality of Board	2 Set	113.00			
19.	Pulp storage & Mixing Chest Parts PM 4 & PM 2	To handle Increased and Improve Quality of Board	10 Set	367.50.00			
20.	Screen Parts CC Bottles parts . Washing Drum Parts.	To increased and Remove . Fine Parts from Waste Paper	10 Set	388.00			
Total Cost				2,837.50			
Packing & Forwarding 2%				56.74			
GST 18%				520.97			
Erecting and Commissioning charge (2%)				56.75			
Total Cost of Machinery^s				3,471.96			

^sThe amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

[^]We have placed orders for the aforementioned machinery on August 25, 2023.

The quotations received from vendor in relation to the above-mentioned Objects are valid as on the date of this Letter of Offer. Further, while we have issued purchase orders to the vendor, there can be no assurance that such vendor will deliver the equipment and material on time or that there will be no delay in provision of services by such vendor. We have not entered into any definitive agreements with the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machinery or equipment or that we will get the same at the same costs. Our Company shall have the flexibility of engaging another vendor to procure the required machinery and equipment, based on factors such as cost quoted by the supplier, packing and forwarding costs, erecting and commissioning costs, timeline of delivery of machinery, etc. Further, our Company may continue to place new orders, amend existing orders as per our present and future requirements or pursuant to any design or

technical changes or make scheduled payments in relation to the orders which have been placed with vendor for various machinery and equipment. Such payments shall be funded through the Net Proceeds.

Proposed Schedule of Implementation

The proposed schedule of implementation for expansion of manufacturing facilities is as follows:

Particular	estimated month of	
	Commencement	Completion
Delivery of machineries	April 2024	May 2024
Installation and erection of machineries	June 2024	
Trial run	June 2024	
Commercial production	July 2024	

Means of Finance

Our Company proposes to meet the entire requirement of funds for this proposed Object of the Issue from the Net Proceeds and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

2. General Corporate Purposes

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹ 1,144.74 lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds may include, but are not restricted to, drive our business growth, including, amongst other things, funding growth opportunities, including strategic initiatives and joint ventures, acquiring assets such as plant and machineries, immovable properties, leasehold improvements and intangibles, prepayment or repayment of borrowings availed by our Company, meeting of exigencies which our Company may face in the course of any business, brand building and other marketing expenses and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/consents, as applicable.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board or the Audit Committee, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in all applicable laws. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a particular Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

(₹ in lakhs)

Particulars	Expenses*	As a % of total expenses*	As a % of Gross Issue size*
Fees of the Bankers to the Issue, Advisor to Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, Other Consultancy Fees including out of pocket expenses etc.	246.39	89.47%	5.04%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	2.50	0.91%	0.05%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	26.50	9.62%	0.54%
Total Estimated Issue Expenses*	275.39	100.00%	5.63%

*Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

Interim Use Of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors or any committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal By Appraisal Agency

None of the objects have been appraised by any bank or financial institution or any other independent third –party organizations.

Bridge Financing Facilities

As on the date of this Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring Of Utilization Of Funds

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, 2018. Our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company to the promoter and promoter group, the directors, associates or key management personnel or group companies, except in the normal course of business and in compliance with the applicable law. There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Directors, Key Managerial Personnel and our Associate Company. Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors

Magnum Ventures Limited

18/41, Site IV, Industrial Area,
Sahibabad, Ghaziabad – 201 010,
Uttar Pradesh, India.

Re: Proposed rights issue of equity shares of face value Rs. 10 each (the “Equity Shares” and such offering, the “Issue”) of Magnum Ventures Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the enclosed Statement prepared by Magnum Ventures Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as “Income Tax Laws”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India, under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and ‘Guidance Note on the Reports in Company Prospectuses (revised 2019)’ (‘the Guidance Notes’) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Notes require that we comply with ethical requirements of the *Code of Ethics* issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

We do not express any opinion or provide any assurance as to whether:

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits ,where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the

revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of M/s. Sahni Bansal and Associates
Chartered Accountants
Firm Registration Number: 0514470C

Name: Pardeep Surrinder Sahni
Partner
ICAI Membership Number: 093866
Date: December 12, 2023
Place: Ghaziabad
UDIN: 23093866BGSVVF9482

Encl: As above

ANNEXURE I

There are no special tax benefits available to the Company and its Shareholders.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL ECONOMIC OUTLOOK

Near-Term Resilience, Persistent Challenges

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (“WEO”), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China’s recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthen financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Forces Shaping the Outlook

The global recovery from the COVID-19 pandemic and Russia’s invasion of Ukraine is slowing amid widening divergences among economic sectors and regions.

The World Health Organization (“WHO”) announced in May that it no longer considers COVID-19 to be a “global health emergency.” Supply chains have largely recovered, and shipping costs and suppliers’ delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world’s poorest nations.

Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is

approaching completion in advanced economies (including in tourism dependent economies of southern Europe), and it accelerated in a number of emerging market and developing economies in the first quarter. However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.

At the same time, nonservices sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer buffer to protect against shocks, including those to the cost of living and those from more restricted credit availability.

The fight against inflation continues: Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals—wherein prices and wages accelerate together for a sustained period—do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signaled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

Acute stress in the banking sector has receded, but credit availability is tight: Thanks to the authorities' swift reaction, the March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse in Switzerland. Accordingly, since the April 2023 WEO, global financial conditions have eased, a sign that financial markets may have become less concerned about risks to financial stability coming from the banking sector. But tight monetary policy continues to put some banks under pressure, both directly (through higher costs of funding) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in coming months. Corporate loans have been declining lately, as has commercial real estate lending.

Following a reopening boost, China's recovery is losing steam: Manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies; net exports contributed strongly to sequential growth in February and March as supply chains normalized and firms swiftly put backlogs of orders into production. Nonetheless, continued weakness in the real estate sector is weighing on investment, foreign demand remains weak, and rising and elevated youth unemployment (at 20.8 percent in May 2023) indicates labor market weakness. High-frequency data through June confirm a softening in momentum into the second quarter of 2023.

Growth Slowing with Shifting Composition

Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable

shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

Table 1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
	2021	Estimate	Projections		Difference from April 2023 WEO		Estimate	Projections	
		2022	2023	2024	2023	2024		2023	2024
World Output	6.8	3.6	3.0	3.0	0.2	0.0	2.2	2.6	2.8
Advanced Economies	5.4	2.7	1.6	1.4	0.2	0.0	1.2	1.4	1.4
United States	5.9	2.1	1.8	1.0	0.2	-0.1	0.9	1.4	1.1
Euro Area	5.3	3.5	0.9	1.5	0.1	0.1	1.8	1.2	1.5
Germany	2.6	1.8	-0.3	1.3	-0.2	0.2	0.8	0.5	1.5
France	6.4	2.5	0.8	1.3	0.1	0.0	0.6	0.9	1.0
Italy	7.0	3.7	1.1	0.9	0.4	0.1	1.5	0.9	1.1
Spain	5.5	5.5	2.5	2.0	1.0	0.0	3.0	1.8	2.2
Japan	2.2	1.0	1.4	1.0	0.1	0.0	0.4	1.5	1.0
United Kingdom	7.6	4.1	0.4	1.0	0.7	0.0	0.6	0.5	1.3
Canada	5.0	3.4	1.7	1.4	0.2	-0.1	2.1	1.8	1.8
Other Advanced Economies 3/	5.5	2.7	2.0	2.3	0.2	0.1	1.0	1.6	2.1
Emerging Market and Developing Economies	8.8	4.0	4.0	4.1	-0.1	-0.1	3.1	4.1	4.1
Emerging and Developing Asia	7.5	4.5	5.3	5.0	0.0	-0.1	4.2	5.3	4.9
China	8.4	3.0	5.2	4.5	0.0	0.0	3.1	5.8	4.1
India 4/	9.1	7.2	6.1	6.3	0.2	0.0	6.1	4.3	6.4
Emerging and Developing Europe	7.3	0.8	1.8	2.2	0.6	-0.3	-1.3	2.7	2.0
Russia	5.6	-2.1	1.5	1.3	0.8	0.0	-3.1	1.9	0.8
Latin America and the Caribbean	7.0	3.9	1.9	2.2	0.3	0.0	2.6	0.8	2.9
Brazil	5.0	2.9	2.1	1.2	1.2	-0.3	2.5	1.3	2.2
Mexico	4.7	3.0	2.6	1.5	0.8	-0.1	3.7	1.9	1.7
Middle East and Central Asia	4.4	5.4	2.5	3.2	-0.4	-0.3	...	...	...
Saudi Arabia	3.9	8.7	1.9	2.8	-1.2	-0.3	5.5	2.0	2.9
Sub-Saharan Africa	4.7	3.9	3.5	4.1	-0.1	-0.1	...	...	...
Nigeria	3.6	3.3	3.2	3.0	0.0	0.0	3.2	2.6	3.6
South Africa	4.7	1.9	0.3	1.7	0.2	-0.1	1.3	0.9	2.0
Merchandise									
World Growth Based on Market Exchange Rates	6.0	3.0	2.5	2.4	0.1	0.0	1.8	2.5	2.4
European Union	5.5	3.7	1.0	1.7	0.3	0.1	1.8	1.5	1.7
ASEAN 5 5/	4.0	5.5	4.6	4.5	0.1	-0.1	4.7	4.6	4.8
Middle East and North Africa	4.0	5.4	2.6	3.1	-0.5	-0.3	...	...	...
Emerging Market and Middle-Income Economies	7.1	3.9	3.9	3.9	0.0	-0.1	3.1	4.1	4.1
Low-Income Developing Countries	4.1	5.0	4.5	5.2	-0.2	-0.2	...	...	...
World Trade Volume (goods and services) 6/	10.7	6.2	2.6	3.7	-0.4	0.2	...	...	...
Advanced Economies	9.9	6.1	2.3	3.2	-0.1	0.3	...	...	...
Emerging Market and Developing Economies	12.2	3.7	1.5	4.5	-0.9	-0.2	...	...	...
Commodity Prices									
Oil 7/	65.8	39.2	-20.7	-6.2	3.4	-0.4	8.8	-13.0	-4.0
Nonfuel (average based on world commodity import weights)	25.7	7.9	-4.8	-1.4	-2.0	-0.4	-0.4	-0.0	0.8
World Consumer Prices 8/	4.7	8.7	8.8	6.2	-0.2	0.3	9.2	6.6	3.8
Advanced Economies 9/	3.1	7.3	4.7	2.8	0.0	0.2	7.7	3.3	2.5
Emerging Market and Developing Economies 9/	5.9	9.8	8.3	6.8	-0.3	0.3	10.5	7.4	5.1

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 2, 2023–May 30, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.
 1/ Difference based on rounded figures for the current and April 2023 WEO forecasts. Countries for which forecasts have been updated relative to April 2023 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.
 2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (90 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.
 3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
 4/ For India, data and projections are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 6.6 percent in 2023 and 5.6 percent in 2024 based on calendar year.
 5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.
 6/ Simple average of growth rates for export and import volumes (goods and services).
 7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of June 1, 2023), is \$76.43 in 2023 and \$71.66 in 2024.
 8/ Excludes Venezuela.
 9/ The inflation rate for the euro area is 5.2% in 2023 and 2.8% in 2024, that for Japan is 3.4% in 2023 and 2.7% in 2024, and that for the United States is 4.4% in 2023 and 2.0% in 2024.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation, which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

These forecasts are based on a number of assumptions, including those regarding fuel and nonfuel commodity prices and interest rates. Oil prices rose by 39 percent in 2022 and are projected to fall by about 21 percent in 2023, reflecting the slowdown in global economic activity. Assumptions regarding global interest rates have been revised upward, reflecting actual and signalled policy tightening by major central banks since April. The Federal Reserve and Bank of England are now expected to raise rates by more than assumed in the April 2023 WEO—to a peak of about 5.6 percent in the case of the Federal Reserve—before reducing them in 2024. The European Central Bank is assumed to raise its policy rate to a peak of 3¾ percent in 2023 and to ease gradually in 2024. Moreover, with near-term inflation expectations falling, real interest rates are likely to stay up even after nominal rates start to fall.

For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

For emerging market and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent 2024, with modest revisions of 0.1 percentage point for 2023 and –0.1 percentage point for 2024. However, this stable average masks divergences, with about 61 percent of the economies in this group growing faster in 2023 and the rest—including low-income countries and three of the five geographic regions described in what follows—growing more slowly.

Core Inflation declining more gradually than Headline Inflation

Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world’s economies are expected to see lower annual average headline inflation in 2023. Monetary policy tightening is expected to gradually dampen inflation, but a central driver of the disinflation projected for 2023 is declining international commodity prices. Differences in the pace of disinflation across countries reflect such factors as different exposures to movements in commodity prices and currencies and different degrees of economic overheating. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation.

Core inflation is generally declining more gradually. Globally, it is set to decline from an annual average of 6.5 percent in 2022 to 6.0 percent in 2023 and 4.7 percent in 2024. It is proving more persistent than projected, mainly for advanced economies, for which forecasts have been revised upward by 0.3 percentage point for 2023 and by 0.4 percentage point for 2024 compared with the April 2023 WEO. Global core inflation is revised down by 0.2 percentage point in 2023, reflecting lower-than-expected core inflation in China, and up by 0.4 percentage point in 2024. On an annual average basis, about half of economies are expected to see no decline in core inflation in 2023, although on a fourth-quarter-over-fourth-quarter basis, about 88 percent of economies for which quarterly data are available are projected to see a decline. Overall, inflation is projected to remain above target in 2023 in 96 percent of economies with inflation targets and in 89 percent of those economies in 2024.

Risks to the Outlook

The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis.

Upside Risks: More favorable outcomes for global growth than in the baseline forecast have become increasingly plausible. Core inflation could fall faster than expected—from greater-than-expected pass-through of lower energy prices and a compression of profit margins to absorb cost increases, among other possible causes—and declining job vacancies could play a strong role in easing labor markets, which would reduce the likelihood of unemployment having to rise to curb inflation. Developments along these lines would then reduce the need for monetary policy tightening and allow a softer landing. Scope exists for more favorable surprises to domestic demand around the world, as in the first quarter of 2023. In numerous economies, consumers have not yet drained the stock of excess savings they accumulated during the pandemic; this could further sustain the recent strength in consumption. Stronger policy support in China than currently envisaged—particularly through means-tested transfers to households—could further sustain recovery and generate positive global spillovers. Such developments, however, would increase inflation pressure and necessitate a tighter monetary policy stance.

Downside Risks: Despite the recent positive growth surprises, plausible risks continue to be skewed to the downside:

- **Inflation persists:** Tight labor markets and pass-through from past exchange rate depreciation could push up inflation and risk de-anchoring longer-term inflation expectations in a number of economies. The institutional setup of wage setting in some countries could amplify inflation pressures on wages. Moreover, El Niño could bring more extreme temperature increases than expected, exacerbate drought conditions, and raise commodity

prices. The war in Ukraine could intensify, further raising food, fuel, and fertilizer prices. The recent suspension of the Black Sea Grain Initiative is a concern in this regard. Such adverse supply shocks might affect countries asymmetrically, implying different dynamics for core inflation and inflation expectations, a divergence in policy responses, and further currency movements.

- **Financial markets reprice:** Financial markets have adjusted their expectations of monetary policy tightening upward since April but still expect less tightening than policymakers have signaled, raising the risk that unfavorable inflation data releases could—as in the first quarter of 2023—trigger a sudden rise in expectations regarding interest rates and falling asset prices. Such movements could further tighten financial conditions and put stress on banks and nonbank financial institutions whose balance sheets remain vulnerable to interest rate risk, especially those highly exposed to commercial real estate. Contagion effects are possible, and a flight to safety, with an attendant appreciation of reserve currencies, would trigger negative ripple effects for global trade and growth.
- **China's recovery underperforms:** Recent developments shift to the downside the distribution of risks surrounding China's growth forecast, with negative potential implications for trading partners in the region and beyond. The principal risks include a deeper-than-expected contraction in the real estate sector in the absence of swift action to restructure property developers, weaker-than-expected consumption in the context of subdued confidence, and unintended fiscal tightening in response to lower tax revenues for local governments.
- **Debt distress increases:** Global financial conditions have generally eased since the March 2023 episode of banking stress, but borrowing costs for emerging market and developing economies remain high, constraining room for priority spending and raising the risk of debt distress. The share of emerging market and developing economies with sovereign credit spreads above 1,000 basis points remained at 25 percent as of June (compared with only 6.8 percent two years ago).
- **Geoeconomic fragmentation deepens:** The ongoing risk that the world economy will separate into blocs amid the war in Ukraine and other geopolitical tensions could intensify, with more restrictions on trade (in particular that in strategic goods, such as critical minerals); cross-border movements of capital, technology, and workers; and international payments. Such developments could contribute to additional volatility in commodity prices and hamper multilateral cooperation on providing global public goods.

Policy Priorities

Conquer inflation: Central banks in economies with elevated and persistent core inflation should continue to clearly signal their commitment to reducing inflation. A restrictive stance—with real rates above neutral—is needed until there are clear signs that underlying inflation is cooling. Multilayered uncertainty complicates the task for central banks: Levels of neutral rates and lags of policy transmission are difficult to estimate with confidence, and the potency of the transmission mechanism may differ across economic sectors. In view of these uncertainties, adjusting policy in a data-dependent manner and avoiding a premature easing before price pressures have adequately receded is warranted, while continuing to use tools to maintain financial stability when needed. Although the primary responsibility for restoring price stability lies with central banks, legislated government spending cuts or tax increases aimed at ensuring public debt sustainability can, by reducing aggregate demand and reinforcing the overall credibility of disinflation strategies, further ease inflation. This is especially the case in countries with overheated economies and steep inflation-unemployment trade-offs.

Maintain financial stability and prepare for stress: The fast pace of monetary policy tightening continues to put the financial sector under pressure. Strengthened supervision (by implementing Basel III and removing forbearance measures) and monitoring risks to anticipate further episodes of banking sector stress is warranted. The intensity of supervision must be commensurate with banks' risks and systemic importance, and it is essential to address oversight gaps in the nonbank financial sector. Macroprudential policy measures could be employed pre-emptively to address emerging risks in banks and nonbank financial institutions. Where market strains emerge, deploying tools that provide liquidity support promptly and forcefully, while mitigating the risk of moral hazard, would limit contagion. Because central banks are not equipped to deal with insolvency problems, it is important for governments to rebuild fiscal space in the event real resources need to be mobilized. Countries at risk of external shocks can make full use of the global financial safety net afforded by international financial institutions, including IMF precautionary financial arrangements.

Rebuild fiscal buffers while protecting the vulnerable: With fiscal deficits and government debt above pre-pandemic levels, credible medium-term fiscal consolidation is in many cases needed to restore budgetary room for maneuver and ensure debt sustainability. Fiscal adjustment is currently projected to average 0.5 percent of GDP in 2024 (based on the change in structural fiscal balances) in both advanced economies and emerging market and developing economies. For economies with access to international markets, the pace of fiscal consolidation should depend on the strength of private demand. The composition of fiscal adjustment should protect targeted

support for the most vulnerable. Phasing out untargeted fiscal measures, including those that blunt price signals—such as energy subsidies—is warranted, especially since energy prices have broadly returned to pre-pandemic levels. In cases in which countries are in or at high risk of debt distress, achieving debt sustainability may require not only well-timed fiscal consolidation, but also debt restructuring (Chapter 3 of the April 2023 WEO).

Ease the funding squeeze for developing and low-income countries: Large short-term external financing needs are stretching the ability of numerous emerging market economies and low-income countries to service their debt. Sovereign spreads remain historically elevated, impeding market access for many economies reliant on short-term borrowing. Faster and more efficient coordination on debt resolution, including through the Group of Twenty (G20) Common Framework and the Global Sovereign Debt Roundtable, is needed to provide a positive signal that lowers short-term borrowing costs and to avoid the risk of debt crises' spreading. The recent agreement between Zambia and its official creditor committee is a welcome step in that direction.

Enhance the supply side and strengthen resilience to climate change: Reforms that loosen labor markets—by encouraging participation and reducing job search and matching frictions—would facilitate fiscal consolidation and a smoother decline in inflation toward target levels. They include short-term training programs for professions experiencing shortages, passing labor laws and regulations that increase work flexibility through telework and leave policies, and facilitating regular immigration flows. Carefully designed industrial policies could be pursued—fiscal space permitting—if market failures are well established, but domestic-content requirements and barriers to trade should be avoided, as they can lower productivity, weaken trade relations, jeopardize food security, and hold back countries seeking to converge to higher income levels. A push on clean energy investment is necessary to ensure sufficient energy supplies given countries' decarbonization goals. Multilateral cooperation is essential to speed the green transition, mitigate climate change, and regulate potentially disruptive emerging technologies such as artificial intelligence.

Source: International Monetary Fund-World Economic Outlook, July, 2023

INDIAN ECONOMY OVERVIEW

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

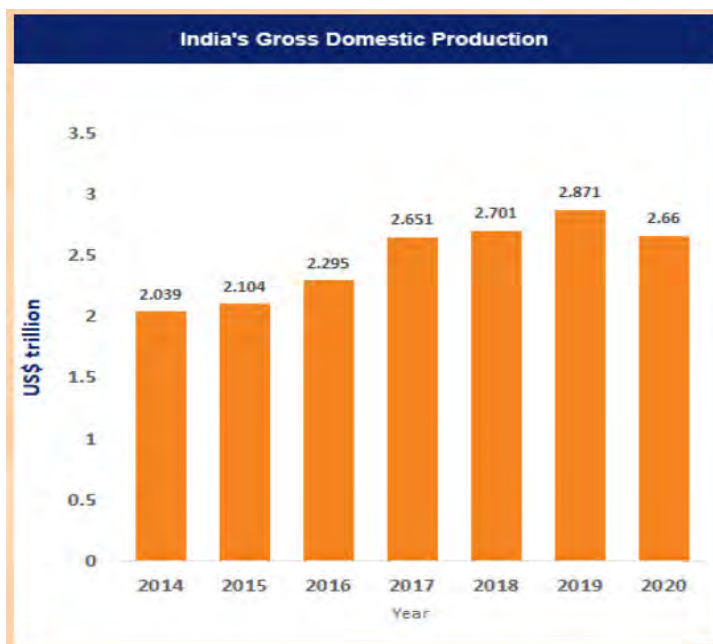
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs.

71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

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Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totalling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs. 1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.

- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

Road Ahead

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: India Brand Equity Foundation <https://www.ibef.org/economy/indian-economy-overview>

INDIA'S PAPER AND PACKAGING INDUSTRY

Introduction

Packaging is an essential component of almost every product. A product's packaging acts as an 'eye catcher', allowing it to stand out from competing goods in today's market environment, which faces stiff competition, and therefore, an edge is required for the product to outshine its rival. Packaging is also instrumental in conveying the product's message to consumers and helps in establishing the visual appeal of a brand; hence, marketers view product packaging as the best possible opportunity to attract consumers to their product. Moreover, the product's packaging is designed to capitalise on the impulse shopping behaviour, especially in large super market chains that account for a significant proportion of purchases made by an average consumer. The main functions of packaging besides marketing is to transmit information, protect the product, provide convenience and add security. Paper and paper products are a major source of materials used to package goods. Paper finds application in packaging due to the many environmental concerns arising from plastic usage. The capacity to recycle paper more than once, along with how simple it is to deal with it as a waste product, serves as an essential method of reducing pollution and costs to an extent.

Types of Packaging

The packaging industry can be categorised into two segments: flexible and rigid.

The rigid sector accounts for 36% of India's total packaging. Corrugated and paperboard boxes are an example of a rigid packaging category that are made using paper as a raw material. These boxes are considered to be one of the safest and most effective methods for packaging and transporting goods. The cellular structure of corrugated boxes, in addition to being lightweight, has great compressive strength, toughness and impact resistance. The procedure of lining, laminating or coating the boxes can assist them to withstand moisture and other harmful elements, protecting the quality and longevity of the product. The packaging of both industrial and consumer

items requires corrugated board boxes. They are used for packaging a variety of commodities including textiles, fruits, vegetables, potteries, chemicals and pharmaceuticals.

The flexible sector comprises 64% of the total packaging. The application of paper in flexible packaging is in the form of bags, sachets, envelopes and so on. The flexible pouch market, which enables small-quantity packaging, has gained momentum due to demand for small packs. Compared to other types of packaging, flexible paper packaging is less expensive, requires less material and is lighter in weight. Flexible paper packaging has become more popular as a result of its high efficiency and low cost. Flexible packaging is a crucial component of versatile packaging, which includes packaging for food and drink, personal care, home care and healthcare, among others.



India Packaging Industry Overview

The paper and packaging sector in India is growing rapidly and has significant potential for future expansion. The industry was valued at \$50.5 billion in 2019 and is anticipated to reach \$204.81 billion by 2025, registering a CAGR of 26.7% from 2020 to 2025. The growth in the sector is being driven by a surge in e-commerce, food processing, pharmaceuticals, FMCG, manufacturing industry and healthcare sector. Additionally, numerous government initiatives including 'Make in India' had positive impact on the packaging industry. The paper and packaging industry is currently the fifth largest sector in the Indian economy and has the potential to achieve pricing levels that are about 40% cheaper compared to European regions.

The Indian packaging sector has distinguished itself with its exports of flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery. The packaging segment with the fastest growth include laminates and flexible packaging, particularly PET and weaved sacks.

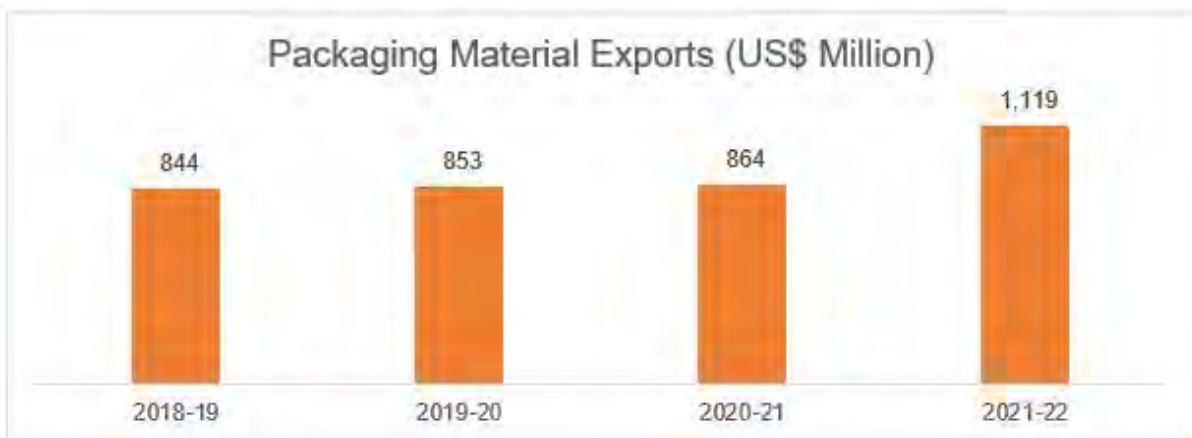
India uses paper as a major source of packaging. The paper industry accounts for 5% of global production. Demand for paper continues to rise for the packaging of FMCG products and ready-to-eat food. Packaging-grade paper accounts for 55% of the main types of paper produced domestically in the paper and paperboard industry.

Pillars of growth



Growing Exports of Packaging Material

India is emerging as a key exporter of packaging materials in the global market. The export of packaging materials from India grew at a CAGR of 9.9% to US\$ 1,119 million in 2021-22 from US\$ 844 million in 2018-19. US remains the major export destination for the packaging industry, followed by the UK, the UAE, Netherlands, and Germany.



Sectors of Application:

The packaging has applications in multiple sectors, two of which key sectors are:

Pharmaceutical: India boasts of one of the world's largest pharmaceutical markets and therefore produces a huge quantity of plastic pharmaceutical packaging to cater to the needs of the fast growing sector. In the pharmaceutical industry, blister packs are one of the most popular types of packaging. Blister packs are used for tablets, ampoules, syringes and vials, and also used for individual packaging for medication doses while maintaining the integrity of other doses. Primary, secondary and tertiary packaging are the three tiers of packaging typically used in the pharmaceutical sector, and the type of application depends on the drug. The material that initially covers and holds the product is referred to as the primary packaging system. This includes all the package elements and sub-elements that come into contact with the product or that may have an impact on its duration of life, such as ampoules and vials, prefilled syringes, IV containers and blister packs. Key players in the pharmaceutical packaging include West Pharmaceuticals, Huhtamaki PPL Ltd and SGD Pharma India Ltd.

Food and Beverage Packaging: India has seen a rise in the paper and packaging of food and beverage with an increase in demand, along with new companies in the food and beverage space. The entry and meteoric rise of food delivery service companies such as Zomato and Swiggy have led to growth in the consumption of packaging

used for food and beverage. Zomato had even introduced tamper-proof packaging to keep the food safe and fresh. Food packaging has seen significant innovations that focus on highlighting the brand while maintaining the quality and standard of the food product contained within. There is intense competition among local manufacturers to produce cutting-edge products and stand up to MNCs that have a dedicated R&D department to test and eventually deploy the latest technologies. The major players in this space are Evirocor, Tetra Pak and Vinayak Ultra Flex.

Government Initiative

The government has launched the National Packaging initiative which focuses on the following measures to promote the sector:

- Set up guidelines and certain requirements for design and material of packaging used
- Promote the process of moving in bulk quantities
- Focus on promotion of specialized industrial activity by encouraging application of necessary and sophisticated infrastructure such as specialized logistic parks with appropriate facilities as well as packaging labs to work on designs and carry out tests
- Encourage processes to reduce packaging waste by establishing material recovery facilities (MRFs)
- Support domestic business to manufacture sophisticated packaging materials
- Develop training facilities and certified programmes of the highest order to maintain availability of skilled labour

Road Ahead

The Indian packaging sector is diverse and caters to a broad sector of industries and products. The government, through its positive promotion of the Make in India policy, has set the packaging sector to grow rapidly due to companies setting up their manufacturing units in the country and using these domestic facilities as a base to export to other countries. The government has implemented a strategy to lower tax rates for new manufacturing companies in order to turn India into a global manufacturing hub. Furthermore, given the need for domestic firms to compete with MNCs, the government is planning to further level the sector among players by launching various initiatives with the aim of promoting the development of packaging, along with technological advancements.

Source: <https://www.ibef.org/blogs/india-s-paper-and-packaging-industry>

TOURISM & HOSPITALITY INDUSTRY IN INDIA

INTRODUCTION

With a total area of 3,287,263 sq. km extending from the snow-covered Himalayan heights to the tropical rain forests of the south, India has a rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. This provides a significant opportunity to fully exploit the potential of the tourism sector.

India being one of the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry emerging as one of the key drivers of growth among the services sector in India. Tourism industry in India has significant potential considering that Tourism is an important source of foreign exchange in India similar to many other countries. The foreign exchange earnings from 2016 to 2019 grew at a CAGR of 7% but dipped in 2020 due to the COVID-19 pandemic.

It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socioeconomic growth, and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture, and diversity are showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and state governments have helped the tourism industry to recover from the covid-19 pandemic shock and operate at the pre-pandemic level.

MARKET SIZE

According to WTTC, India is ranked 10th among 185 countries in terms of travel & tourism's total contribution to GDP in 2019. During 2019, the contribution of travel & tourism to GDP was 6.8% of the total economy, Rs.

1,368,100 crore (US\$ 194.30 billion). In 2020, the Indian tourism sector accounted for 39 million jobs, which was 8% of the total employment in the country.

In 2021, the travel & tourism industry's contribution to the GDP was US\$ 178 billion; this is expected to reach US\$ 512 billion by 2028. In India, the industry's direct contribution to the GDP is expected to record an annual growth rate of 7-9% between 2019 and 2030. In 2020, the travel & tourism industry's contribution to the GDP was US\$ 121.9 billion. In 2022, the contribution of the travel and tourism industry to India's economy stood at US\$ 15.7 trillion.

The travel market in India is projected to reach US\$ 125 billion by FY27 from an estimated US\$ 75 billion in FY20. The Indian airline travel market was estimated at ~US\$ 20 billion and is projected to double in size by FY27 due to improving airport infrastructure and growing access to passports. The Indian hotel market including domestic, inbound and outbound was estimated at ~US\$ 32 billion in FY20 and is expected to reach ~US\$ 52 billion by FY27, driven by the surging demand from travellers and sustained efforts of travel agents to boost the market.

By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue of over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post-pandemic. International hotel chains are increasing their presence in the country, and it will account for around 47% share of the tourism and hospitality sector of India by 2020 and 50% by 2022.



As per the Ministry of Tourism, Foreign Tourist Arrivals (FTAs) in March 2023 were 7,95,827 as compared to 3,42,308 in March 2022 with a positive growth rate of 132.5%.

FTAs during the period January-March 2023 were 25,29,766 as compared to 7,84,750 in January-March, 2022 and 31,79,792 in January-March 2019 registering a growth of 222.4% and -20.4% with respect to 2023 and 2019 respectively.

The percentage share of Foreign Tourist Arrivals in India during March 2023 among the top 15 ports was highest at Delhi Airport (31.72%) followed by Mumbai Airport (13.29%), Haridaspur Land Check Post (12.31%), Chennai Airport (7.91%), Bengaluru Airport (5.24%), Kolkata Airport (3.16%), Cochin Airport (2.98%), Hyderabad Airport (2.87%), Ghojadanga Land Check Post (2.14%), Dabolim (Goa) Airport (1.96%), Ahmedabad Airport (1.79%), Agartala Land Check Post (1.77%), Amritsar Airport (1.44%), Changrabandha Land Check Post (1.34%), and Sonauli Land Check Post (1.34%).

INVESTMENTS/DEVELOPMENTS

- An investment of Rs. 2,400 crore (US\$ 289.89 million) was allocated to the Ministry of Tourism as the sector holds huge opportunities for jobs and entrepreneurship for youth.

- An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels under the 2-star category and above across India, thus permitting a 100% deduction in respect of the whole or any expenditure of capital nature.
- In 2019, the Government reduced GST on hotel rooms with tariffs of Rs. 1,001 (US\$ 14.32) to Rs. 7,500 (US\$ 107.31) per night to 12% and those above Rs. 7,501 (US\$ 107.32) to 18% to increase India's competitiveness as a tourism destination.
- In Union Budget 2023-24, US\$ 290.64 million was allocated to the Ministry of Tourism as the sector holds huge opportunities for jobs and entrepreneurship for youth in particular and to take the promotion of tourism on mission mode, with the active participation of states, the convergence of government programmes and public-private partnerships.
- An app will be developed covering all relevant aspects of tourism. States will be encouraged to set up Unity Malls in State Capital as the most prominent tourism centres to promote One District One Product, GI products, handicrafts and products of other States.
- In 2021, Government of India announced 40,000 e-tourist visas out of 500,000 free regular visas to the tourist, to ensure a geographical spread of the incentive to important source markets globally.
- Government of India has set a target to create 220 new airports by 2025.
- The Emergency Credit Line Guarantee Scheme (ECLGS) covered through a liberal definition of MSME (micro small and medium enterprises) has been expanded to include tourism and hospitality stakeholders. Infrastructure status has been granted to exhibition-cum-convention centres.
- A separate liquidity window of Rs. 15,000 crore (US\$ 1.8 billion) has been released for the sector.
- FDI inflows in the Tourism & Hospitality sector reached US\$ 16.48 billion between April-June 2022.
- A total of 48,775 accommodation units (both classified and unclassified) have been registered on the National Integrated Database of Hospitality Industry (NIDHI) portal and 11,220 units have self-certified for SAATHI standards in September 2022.
- In October 2022, Indian Hotels Company (IHCL) announced the launch of its new Indian-concept restaurant brand, Loya. Debuting at Taj Palace, New Delhi, Loya captures the culinary essence traversing the landscape of North India.
- Hospitality unicorn OYO has acquired Europe-based vacation rental company Direct Booker for US\$ 5.5 million in May 2022.
- Accor, a French hospitality major will expand its India's portfolio by adding nine additional hotels in the mid-scale and economy categories, bringing the total number of hotels 54 in India.
- The Medical Tourism sector is expected to increase at a CAGR of 21.1% from 2020-2027.
- India was globally the third largest in terms of investment in travel and tourism with an inflow of US\$ 45.7 billion in 2018, accounting for 5.9% of the total investment in the country.
- Indian government has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. Dream Hotel Group plans to invest around US\$300 million in the next 3-5 years for the development of the cruise sector in India.
- India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. India's rising middle class and increasing disposable income has supported the growth of domestic and outbound tourism.
- The United Nations World Tourism Organisation selected Pochampally in Telangana as one of the best tourism villages in November 2021.

GOVERNMENT INITIATIVES

The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India are as follows:

In the Union Budget 2023-24, US\$ 290.4 million has been allocated to the Ministry of Tourism. Under the Union Budget 2023-24, an outlay of US\$ 170.85 million has been allocated for the Swadesh Darshan Scheme to develop a complete package of 50 tourist destinations for providing a wholesome tourism experience by facilitating physical, digital and virtual connectivity, availability of tourist guides and tourist security.

Ministry of Tourism has sanctioned 76 projects under the scheme since its inception under 13 themes for a revised sanctioned cost of US\$ 668.95 million and has released US\$ 534.9 million (till December 31, 2021).

Under Budget 2023-24, the Government has allocated US\$ 30.25 million for the development of tourist circuits under PRASHAD. Since its launch in January 2015 and Ministry has sanctioned 37 projects in 24 states with estimated expenditure of US\$ 146.4 million and a cumulative amount of US\$ 91.6 million has been released for these projects. 68 destinations/sites have been identified in 30 States/UTs for development under the PRASHAD Scheme as on March 31, 2022.

Ministry of Tourism has partnered with the Quality Council of India (QCI), to assist the Hospitality Industry in their preparedness to continue operations safely and mitigate risks arising out of the COVID-19 pandemic through an initiative called SAATHI (System for Assessment, Awareness and Training for Hospitality Industry). A hotel/unit goes through the SAATHI framework and agrees to fully follow the requirements wherever applicable possible, and a self-certification is issued. Self-certified Hotel/units attend webinars to clarify doubts through live interactions. If Hotel/unit desires, they may undertake site-assessment based on SAATHI framework through QCI accredited agencies and an assessment report with opportunities for improvement is shared with the assessed unit.

Under this Loan Guarantee Scheme for Covid Affected Tourism Service Sector (LGSCATSS), loan upto US\$ 12,110 will be extended to each Tour Operators/ Travel Agents/ Tourist Transport Operators approved/recognized by the Ministry of Tourism.

Guarantees for Skill Development Loans by the member banks of IBA up to Rs. 1.5 lakh (US\$ 1,801) extended by lending institutions to eligible borrowers without collateral or third-party guarantee.

- Visa reforms include a significantly expanded Golden Visa scheme, a five-year Green residency and new entry permits, including one for job seekers. The new system also offers additional benefits to sponsor family members
- To ease travels for international tourists, the Government of India has launched a scheme wherein five lakh tourists will get free visas.
- In August 2022, Ministry of Tourism sanctioned 76 projects for Rs. 5,399.15 crore (US\$ 678.39 million) under Swadesh Darshan Scheme for development of tourism infrastructure in the country.
- In June 2022, the Ministry of Tourism along with Associations of Indian Universities (AIU) initiated a 12 episode webinar series under 'Azadi Ka Amrut Mahotsav' (AKAM) to engage and expose young minds of our country to the rich and diverse heritage of the country.
- Till the end of September 2022, a total of 155 Dekho Apna Desh webinars have been organized by Ministry of Tourism.
- The Ministry of Tourism has launched the National Strategy for Sustainable Tourism and Responsible Traveller Campaign in June 2022.
- From November 15, 2021, India allowed fully vaccinated foreign tourists to visit India, which in turn will help revive the Indian travel and hospitality sector.
- In November 2021, the Ministry of Tourism signed a Memorandum of Understanding (MoU) with Indian Railway Catering and Tourism Corporation to strengthen hospitality and tourism industry. The ministry has also signed a MoU with Easy My Trip, Cleartrip, Yatra.com, Make My Trip and Goibibo.
- In November 2021, the Indian government planned a conference to boost film tourism in the country with an aim to establish domestic spots as preferred filming destinations. This move is expected to create jobs and boost tourism in the country.
- In September 2021, the government launched NIDHI 2.0 (National Integrated Database of Hospitality Industry) scheme which will maintain a database of hospitality sector components such as accommodation

units, travel agents, tour operators, & others. NIDHI 2.0 will facilitate the digitalisation of the tourism sector by encouraging all hotels to register themselves on the platform.

- Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development as tourist spots.
- The Ministry of Road Transport and Highways has introduced a new scheme called ‘All India Tourist Vehicles Authorisation and Permit Rules, 2021’, in which a tourist vehicle operator can register online for All India Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.
- The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.
- During 2019-20, an additional fund Rs. 1,854.67 crore (US\$ 269.22 million) was sanctioned for new projects under the Swadesh Darshan scheme.
- Ministry of Tourism sanctioned 18 projects covering all the North Eastern States for Rs. 1,456 crore (US\$ 211.35 million) to develop and promote of tourism in the region under Swadesh Darshan and PRASHAD schemes.
- Statue of Sardar Vallabhbhai Patel, also known as ‘State of Unity’, was inaugurated in October 2018 and the total revenue generated till November 2019 stood at Rs. 82.51 crore (US\$ 11.81 million).

STATE GOVERNMENT INITIATIVES

- In Jammu and Kashmir, in April 2021, a mega tourism promotion event “Tapping the Potential of Kashmir: Another Day in Paradise” was organised in Srinagar. The event aimed to showcase the myriad tourism products of Jammu & Kashmir and promote tourism in the region as the destination for leisure, adventure, eco, wedding, films and MICE tourism steps have been taken by the government to provide better facilities to the old.
- The strategy of Uttarakhand Tourism is to identify key originating regions and tourist segments, which would then be the focus of marketing campaigns.
- Madhya Pradesh tourism board has opened the door for private investment within the state by providing all the aid and facilities to the investors.
- The AP Tourism Development Corporation (APTDC) plans to establish 100 kiosks across the state in the first phase, providing employment opportunities to the youth.
- In October 2021, the Tripura government collaborated with Infovalley Educational & Research (P) Ltd. as part of a public-private partnership (PPP) to run the State Institute of Hotel Management (SIHM). Through the SIHM, the government aims to empower the youth and contribute to the growth of hotels and hospitality management in the state.
- The Ministry of Tourism sanctioned three projects for a total amount of Rs. 179.68 crore (US\$ 24.24 million) under the Swadesh Darshan scheme in Gujarat. The Ministry of Tourism has approved 16 projects for over Rs. 1,300 crore (US\$ 171.2 million) in India’s North East under the “Swadesh Darshan” Scheme.
- In July 2021, the Tamil Nadu state government decided to implement an integrated mega tourism plan, which included new lighting arrangements for the Thiruvalluvar statue at Kanyakumari, starting renovations at Poompuhar tourist spot and improving roads leading to tourist spots, spiritual places and adventure tourism spots. It also includes unveiling a new tourism policy, establishing more hotels, resorts, and convention centres and increasing contribution of public and private sectors in the tourism sector.
- In July 2021, Andhra Pradesh Tourism Authority urged stakeholders in the tourism sector in the state to register with the Andhra Pradesh Tourism under the Tourism Trade Registration and Facilitation Guidelines 2020.
- In October 2021, the Tripura government collaborated with Infovalley Educational & Research (P) Ltd. as part of a public-private partnership (PPP) to run the State Institute of Hotel Management (SIHM). Through the SIHM, the government aims to empower the youth and contribute to the growth of hotels and hospitality management in the state.
- Jharkhand Tourism Policy Offers Attractive Incentives and Opportunities for Investors.

- Nagaland Launches Initiatives to Promote Off-Road Tourism

ROAD AHEAD

Staycation is seen as an emerging trend where people stay at luxurious hotels to revive themselves of stress in a peaceful getaway. To cater to such needs, major hotel chains such as Marriott International, IHG Hotels & Resorts and Oberoi hotels are introducing staycation offers where guests can choose from a host of curated experiences, within the hotel. India's travel and tourism industry has huge growth potential. The industry is also looking forward to the expansion of e-Visa scheme, which is expected to double the tourist inflow in India. India's travel and tourism industry has the potential to expand by 2.5% on the back of higher budgetary allocation and low-cost healthcare facility according to a joint study conducted by ASSOCHAM and Yes Bank.

It is irrefutable that the tourist industry is becoming a more significant economic force and has the potential to be used as a tool for development. The tourist industry not only drives growth, but it also raises people's standards of living with its ability to provide significant amount of diverse employment opportunities. It promotes environmental preservation, champions diverse cultural heritage, and bolsters international peace. By 2028, Indian tourism and hospitality is expected to earn US\$ 50.9 billion as visitor exports compared with US\$ 28.9 billion in 2018.

Source: <https://www.ibef.org/industry/tourism-hospitality-india>

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 18 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 23. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the external industry sources. This section should be read in conjunction with the “Industry Overview” on page 81 of this Letter of Offer. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Letter of Offer on page 128.

OVERVIEW

We are a leading player in India’s hospitality sector and the environment-friendly segment of the paper manufacturing industry. Our Company is engaged in the business of manufacturing, trading and exporting paper for more than 25 years. Our Company also owns and operates the Country Inn and Suites by Carlson (now Radisson) Hotel in Sahibabad, which is the second largest hotel under the Country Inn and Suites by Carlson brand and also has the distinction of being the first of its kind vegetarian five star hotel in India. We believe we have developed a brand presence in both the industries, through a diversified product portfolio in our paper division and a brand-strengthening association with the Carlson Group of Hotels (now Radisson Group of Hotels) that has helped establish a global hospitality standard.

Our Company since its incorporation has been engaged in the business of trading and manufacturing of paper for more than four decades (“**Paper Division**”). During the year 2009, our Company diversified its business operations by commencing operations of our hotel properly around the unique selling proposition of being the only five star vegetarian hotel in India (“**Hotel Division**”). We forged an association with the Radisson Hotel Group when we entered the hospitality business in 2009. The association has endured for a decade and a half, reinforcing an existing brand recall and sending out a message of engagement stability. The property has benefited from the global hospitality brand’s reputation for engagement warmth, professional standard and benchmarking with global best practices. Any expansion of the Company’s hospitality footprint would be in conjunction with the global hospitality major.

Our Company is one of the leading manufacturer of rigid paper in India that finds applications in the packaging of prominent consumer electronics and food products. The existing manufacturing activities cover newprint paper, paperboard, cup stock clay coated paper, cup stock natural shade, food container board, magnum bio pack with nano coat food grade and high strength kraft with an installed capacity of 85,000 TPA (tonnes per annum). Our Paper mill products serve diverse end uses across industries. Newsprint, known for its absorbency and lightweight nature, finds its purpose in newspapers, flyers, and other printed materials. Our Company is a manufacturer of newsprint of a high quality. Our Company’s products have been consistently used by marquee media brands in India. Grey board, recognized for its sturdiness and durability, often becomes packaging material for products like shoeboxes, book covers, and various types of containers. The Company is a preferred vendor to large multinational manufacturers of consumer electronics products in India, used in the packaging of smartphones. Cup stock, a specialized paper, is tailored for liquid containment, making it ideal for disposable cups, food containers, and packaging for beverages. Its resistance to moisture and ability to maintain structural integrity even when in contact with liquids make it a popular choice for these applications. Overall, the products from paper mills cater to a wide range of needs, providing solutions for printing, packaging, and various forms of containment in everyday life and various industries. Our Company has further shifted its focus to the export of prominent products (grey board also known as Royal Rhino), a preferred alternative to European board. We export our paper products to the Middle East.

The factory of the Paper Division is spread over an area of 60,000 Sqm., with a built-up area of 5,00,000 Sqft. Our Company's work is spread over six different locations, each of which is in East Delhi NCR, Sahibabad, Ghaziabad which is quite near to the famous Akshardham temple.

Our Company owns and operated a 5 Star Deluxe hotel comprising 216 rooms in Sahibabad District, bordering Delhi. The proposed hotel is located in the heart of business district of Sahibabad, in District Ghaziabad and falls under the National Capital Region. It is extremely close to Delhi city, is at a very short distance from National Highway 24 and the Inter-State Bus Terminus at Anand Vihar, Delhi. Our Company's proposed Hotel is located at plot nos. 64/6 (comprising sections 3, 4, 5 & 6), and 64/5, Site-IV, Industrial Area, Sahibabad, Uttar Pradesh.

Our Company has forged an association with the Radisson Hotel Group when we entered the hospitality business in 2009. The association has endured for a decade and a half, reinforcing an existing brand recall and sending out a message of engagement stability. The property has benefited from the global hospitality brand's reputation for engagement warmth, professional standard and benchmarking with global best practices. Our Country Inn & Suites hotel in Sahibabad comes with all five-star amenities. Its principal difference is that it serves vegetarian cuisine, which makes it an exclusive and one of a kind vegetarian-only five star hotel in the world. Our Company has transformed this shortcoming into a brand builder. The hotel is considered 'safe' and 'hygienic' by vegetarian customers. The hotel comprises a complement of residential rooms, banqueting venues, restaurants, business centre and recreational amenities (swimming pool, bar, saloon and health club).

In order to supplement our Paper Division, we have formed a quality control team to deliver the final product as per market norms and standards. The quality control team has adopted a pre and post quality control system, which is executed in our in-house laboratory. The laboratory is facilitated with all modern testing equipments. Our Paper Division is also supported by our product development teams who undertake research and development to offer sustainable solutions and biodegradable alternatives. Our product development team facilitates and supports our proposition that the products supplied will not be derived from trees. Our product development team also develops customized innovative solutions specially crafted to meet the demands of our customers. For instance, in the packaging segment our Company had developed a soft quality board called "*Folding Chromo Board*" ideal for the pharmaceutical industry and the response to the same was encouraging.

Our Hotel Division is supported by our food production, storage and service teams which oversee food production teams (including different kitchens and specialised chefs), services teams (including waiters) and kitchen storage teams (special support department that ensures the supply of equipment, crockery and cutlery). We are also supported by our housekeeping teams who ensure that the rooms provided to our guests are prepared in advance and are maintained that way during the stay of our guests. Our Company has devised a quality management system which is executed by our qualified chefs, food safety department and the stores department. Our product development teams undertakes product developments and menu changes as per emerging preferences. Lastly, our business development and marketing teams organise food festivals as part of the branding initiative where guests are invited through SMS and e-mails. Our Company's chefs have also participated in various competitions and won innumerable awards in various categories.

We have an experienced professional management team under the overall stewardship of our Promoters, Pradeep Kumar Jain, Parmod Kumar Jain and Parveen Jain who have significant experience in the paper industry and the hospitality industry.

The market capitalization (*full float*) of our Company as on September 30, 2023 was ₹ 18,987.27 lakhs and ₹ 19,059.01 lakhs on BSE and NSE respectively.

Our revenues from operations for unaudited financial results limited review for six months period ended September 30, 2023 and for the Financial Years ended on March 31, 2023 and March 31, 2022 and March 31, 2021 were ₹ 23,324.97 lakhs, ₹ 46,001.44 lakhs, ₹ 32,830.11 lakhs and ₹ 17,659.94 lakhs, respectively. Our EBITDA for unaudited financial results limited review for six months period ended September 30, 2023 and for the Financial Years ended on March 31, 2023 and March 31, 2022 and March 31, 2021 were ₹ 2,954.14 lakhs, ₹ 4,742.73 lakhs, ₹ 2,536.67 lakhs and ₹ 1,851.43 lakhs, respectively. Our profit after tax for unaudited financial results limited review for six months period ended September 30, 2023 and for the Financial Years ended on March 31, 2023 and March 31, 2022 and March 31, 2021 were ₹ 871.96 lakhs, ₹ 7,086.10 lakhs, ₹ 514.76 lakhs and ₹ 134.13 lakhs, respectively. For further details, please refer to the section titled "*Financial Information*" on page 128 of this Letter of Offer.

OUR COMPETITIVE STRENGTHS

Diversified sources of revenue

Our Company has diversified key service areas leading to diversified sources of revenue. Our Company has been engaged in the paper market since 1980 with a credible reputation and therefore has longstanding market presence and brand value in the said division. During the year 2009, our Company diversified its business operations by commencing operations of its Hotel Division by associating with Carlson Group of Hotels (now Radisson Group of Hotels). In addition to our Paper and Hotel Divisions, we have further enhanced our revenue contribution from areas such as F&B Services, Banqueting Services and Other Services and optimal utilization of available resources. We believe that this mitigates the risks related to exposure to any specific segment, and has secured us from suffering losses during adverse market conditions or an economic slowdown. A break up of the revenue earned by our Company during the six months period ended September 30, 2023 and for the Financial Years ended on March 31, 2023 and March 31, 2022 and March 31, 2021 from our Paper Division and the Hotel Division has been provided below:

Division	Six months period ended		Financial Years					
	September 30, 2023		2023		2022		2021	
	(₹ in million)	% of total revenue	(₹ in million)	% of total revenue	(₹ in million)	% of total revenue	(₹ in million)	% of total revenue
Paper Division	1,847.89	78.61	3,767.52	80.95	2,804.27	84.57	1580.60	86.65
Hotel Division	502.97	21.39	886.53	19.05	511.74	15.43	243.50	13.35

Independent brand having an established track record in the Indian hospitality industry

Our Company owns and operated a 5 Star Deluxe hotel comprising 216 rooms in Sahibabad District, bordering Delhi. The proposed hotel is located in the heart of business district of Sahibabad, in District Ghaziabad and falls under the National Capital Region. It is extremely close to Delhi city, is at a very short distance from National Highway 24 and the Inter-State Bus Terminus at Anand Vihar, Delhi. We operate our hotel in association with the Carlson Group of Hotels (now Radisson Group of Hotels). We believe that 'Radisson' and the associated logo



are recognized in the luxury hotel segment in India and have the ability to attract a wide customer base. We believe that our competently trained, motivated and performance-oriented staff delivers high quality and personalized service to our customers. We believe that our experience in associating with the Radisson brand and our knowledge of the local markets in India has provided us with a platform to grow our hotel business and also diversify into other areas such as F&B. Our association with a luxury brand has endured for a decade and a half, reinforcing an existing brand recall and sending out a message of engagement stability. The property has benefited from the global hospitality brand's reputation for engagement warmth, professional standard and benchmarking with global best practices.

Diversified product portfolio

Our Paper Division offers products which serve diverse end uses across industries. The diverse applications of our products have been provided below:

Newsprint Paper: Newsprint, known for its absorbency and lightweight nature, finds its purpose in newspapers, flyers, and other printed materials.

Paper Board: Grey board, recognized for its sturdiness and durability, often becomes packaging material for products like shoeboxes, book covers, and various types of containers. Its versatility and adaptability continue to make it a valuable resource in industries as diverse as packaging, printing, retail, and art.

Cup stock: is a specialized paper, is tailored for liquid containment, making it ideal for disposable cups, food containers, and packaging for beverages. Its resistance to moisture and ability to maintain structural integrity even when in contact with liquids make it a popular choice for these applications.

Food Container Board: Its ability to maintain the freshness and safety of food products, combined with its printability, customization options, and sustainability efforts, makes it an essential material for the food industry.

Magnum Bio Pack with Nano Coat Food Grade: Magnum Bio Pack with Nano Coat food grade represents a significant leap forward in food packaging technology. Its blend of sustainability, food-grade safety. It addresses these critical concerns while ensuring the freshness and quality of the products we love.

High Strength Kraft: High Strength Kraft has remarkable strength, versatility, sustainability, customizability, and printability make it a top choice for a range of applications. Whether it's protecting valuable machinery or enhancing the presentation of a retail product, High Strength Kraft proves its mettle as a reliable and durable packaging solution.

Overall, the products from paper mills cater to a wide range of needs, providing solutions for printing, packaging, and various forms of containment in everyday life and various industries.

Our hotel is conveniently located to cater to business and other guests

One of the key success metrics for operating in the hotel industry is the location of the hotel. Accordingly, our 5 Star Deluxe hotel is located in the heart of business district of Sahibabad, in District Ghaziabad and falls under the National Capital Region. It is extremely close to Delhi city, is at a very short distance from National Highway 24 and the Inter-State Bus Terminus at Anand Vihar, Delhi. Accordingly, our hotel is located in prime business location, within close proximity to commercial and shopping destinations, railway stations and bus terminus.

Focus on innovative marketing initiatives leading to additional sources of revenue other than room rentals.

We also focus on income other than room rentals such as Food & Beverage, banquets & events. Our hotel has a popular array of food and beverage outlets that enjoy an independent brand value thereby attracting clientele other than room guests. Our hotel offers an exclusive vegetarian only cuisine, which makes it an exclusive and one of a kind vegetarian-only five star hotel in the world. Our restaurants namely “64/6”, “Tatva”, “3B’s”, “Little Italy”. “Country Lounge” and “Royal Lounge” are known for their specialized cuisine and distinctive ambience. Our Company has a broad-based range of vegetarian cuisine beyond what would have been normally offered by a peer fivestar hotel. Further, our Company extends beyond a deep Indian vegetarian heritage to other cultures (Mexican, Thai, Chinese, Italian and Mediterranean, among others), representing an international celebration of vegetarian cuisine. Our cuisines are offered through a range of five restaurants, each addressing a distinctive preference that enhances consumer recall and positioned the restaurants around their standalone brands (in addition to the property’s recall). Our cuisine is not only positioned as good for taste but good for health as well, through the use of organic resources. Our hotel houses seven banquet halls, namely “Dabar Hall”, “Grand Ball Room and Pre-Function Area”, “Royal Heritage”, “Majestic Hall”, “Imperial Hall”, “Viceroy Hall”, “Crystal Hall” and “Utsav Hall”, each having different gathering capacities, thereby catering to a variety of requirements of our customers, such as, business meetings, conferences, seminars, marriages, and private parties and also add to our income from food and beverage sales. Our Company also organizes food festivals that enhance the excitement for a short period, engage footfalls higher than the average and helped transform a number of walk-in engagements into repeat relationships.

Innovative product development teams

Our Paper Division houses product development teams which further the vision of our Company of becoming a clean paper manufacturer and replacing the use of plastic with chemicals with similar utility outcomes. Our Company has hired professionally qualified younger generation and have assigned them with the responsibility of addressing emerging trends so that the Company can manufacture suitable products. Our product development team also develops customized innovative solutions specially crafted to meet the demands of our customers. For instance, in the packaging segment our Company had developed a soft quality board called “*Folding Chromo Board*” ideal for the pharmaceutical industry and the response to the same was encouraging. Our Company has also participated in various international exhibitions to display its products and futuristic capabilities. Our Company joined the ‘Say no to plastic’ movement that has opened the new door for paper industry as the market allows packaging of products for the goodness of the nature.

We also have a product development team in our Hotel Division, which undertakes product developments and menu changes as per emerging preferences. Our Company undertakes menu changes during price revision; existing menu items are replaced keeping in mind the frequency of order, pricing and customer taste. Our

Company's chef team brainstorms to prepare new items; the inputs of all team members help innovate and enhance ownership. Our product development team help us in renewing the customers' experience every time they visit our hotel.

Systematic quality assurance teams

In order to supplement our Paper Division, we have formed a quality control team to deliver the final product as per market norms and standards. The quality control team has adopted a pre and post quality control system, which is executed in our in-house laboratory. The laboratory is facilitated with all modern testing equipments. In our Hotel Division, our Company's market surveyors assess costs and quality (perishable products like fruits and vegetables or major grocery items) at the beginning of each month. Following a survey, our Company contracts wholesalers on the basis of cost and quality while fixing the price for each month. Our Company is a distribution partner of Amul, India's leading dairy brand, which helps obtain a consistent quality and quantity at a fixed price. Our Company sources resources from around 50 vendors. Our Company has appointed qualified chefs to appraise incoming quality. The chef from the food safety department ensures a daily technical check of all raw material supplies. The receiving manager possesses a knowledge of all items; he maintains records of all products and transfers the items to the stores department. The stores department conducts a final check and issues them to the respective departments.

Experienced management team

Our Company is managed by a team of experienced and professional managers having background of hospitality industry in the areas of marketing and operations. Our Promoters and the management have several years of experience in the hotel industry. Our management has been providing a congenial and motivating environment for the staff. The members of the staff are given adequate opportunities by deputing them to regular in-house training sessions and to other professional institutions to improve and broad base their skills, from time to time. We have also recruited professionals who have passed out from this institute.

Well developed sales and marketing network

We manage demand, volumes and prices for rooms and other facilities at our hotel based on market conditions and certain other factors. Our Company partnered Little Italy, India's largest home-grown Italian brand. The hotel chain comprises 50 outlets in four countries including India. Little Italy provides vegetarian dishes of Italian origin that blends with Country Inn hotels. Our Company organises food festivals as a part of its branding initiative where guests are invited through SMS and e-mails. Our Company's food festivals span a range of cuisine. For instance: festivals have been organised by making dishes with one kind of fruit and vegetables as well as cultural preferences and seasonal changes. Our Company's chefs have participated in various competitions and won innumerable awards in various categories.

OUR BUSINESS STRATEGIES

Our Company intends to add additional manufacturing facilities to improve the quality and quantity of the products forming part of our Paper Division.

Our Company has four machine sections wherein we newsprint paper, paper boards, kraft paper, etc. Our Company has also recently started manufacturing cup stock natural shade paper, which is eco-friendly in nature and is a substitute to banned plastic items for packing purposes. Our Company proposes to improve the quality and quantity of our paper products for we intend to utilize a portion of the Net Proceeds to purchase and install latest equipment and machinery and undertake modification in the existing machinery, in our manufacturing unit. We believe adding new machinery and modification of the existing machinery will produce better quality of our products which will be easily salable and help us reduce our debtors.

Expansion through management contracts

We intend to expand our business operations by entering into operation and maintenance contracts for third party hotels, which we propose to obtain on a leasehold basis. We intend to operate and maintain boutique hotels by taking them on leasehold basis and selectively enter into such contracts in circumstances where it is economically and strategically prudent with the intent to further expand our operations in key geographies where we are not

present. Since management agreements require lower upfront financial investment compared to development of new hotels on owned, leased or licensed land, we believe this strategy will enable us to reduce our capital expenditure, distribute fixed costs, further diversify our sources of revenue, efficiently utilize capital for achieving future growth and add more hotels in a shorter period of time, all of which may assist in achieving an increase in our EBITDA margins. Additionally, we believe that operating hotels will increase our experience in, and knowledge of, new markets and enhance our ability to negotiate better terms with vendors.

Diversifying our hotel operations by venturing into outdoor catering business

We intend to diversify our hotel operations by offering pure vegetarian catering services. We operate one of a kind vegetarian five star hotel in India. At our hotel property, we have curated six restaurants with mutually exclusive cuisine options designed to offer customers a wide choice. Our vegetarian cuisines include Indian, Japanese, Chinese, Scandinavian, Mediterranean, Italian, Thai, Mexican and Mongolian. We intend to leverage the food and beverage operations and diversified cuisines by expanding our operations to external catering services. Such diversification will help us increase our brand presence and create an additional revenue stream for our Company.

Invest in biodegradable alternatives

There is a global movement to replace the use of single-use plastic due to its harmful environmental impact with recycled paper alternatives. As soon as the ban on single use plastic intensifies in India, there could be a structural shift in the demand towards biodegradable alternatives. We intend to invest in various biodegradable alternatives, such as kraft paper, cup stock natural shade, magnum bio pack with nano coat food grade and high strength kraft. Our Company has been engaged in the manufacture of paper from wastepaper, underlining its environment commitment. Our Company has positioned its products as ‘*use as much as you can*’ around the proposition that the products supplied will not be derived from trees. Our Company does not utilize any wood resource in the manufacture of paper; it has underlined its environment friendliness through the moderated consumption of finite resources (wood, water, power and fuels) on the one hand while supporting an eco-system of rag pickers, ensuring that the benefits of corporate profitability translate across its supply chain. Our Company proposes to add additional products as part of its biodegradable alternatives.

Our Business Operations

Paper Division

Newsprint Paper

Newsprint paper embodies the essence of print journalism and community engagement. While digital media has transformed news consumption, newsprint paper remains an enduring symbol of reliable information, tangible storytelling, and community connection. Newsprint paper continues to be a cherished part of our lives, connecting us to the stories that shape our world.



Paperboard

Paperboard is a remarkable material with a wide range of applications, combining strength, printability, and sustainability. The paperboard sector is mainly looked at in conjunction with the paper industry. It is a thick paper-based material. While there is no rigid differentiation between paper and paperboard, paperboard is generally thicker (usually over 0.25 mm, 0.010 in, or 10 points) than paper. Its versatility and adaptability continue to make it a valuable resource in industries as diverse as packaging, printing, retail, and art. As we navigate a world increasingly conscious of environmental impact, paperboard remains a sustainable and reliable choice for those looking to package, protect, and display their products and creations.



Cup Stock Clay Coated Paper

Cup stock clay coated paper is a specialized paperboard created explicitly for crafting disposable cups and food containers. What sets it apart is the clay coating applied to one or both sides of the paperboard, which significantly enhances its performance characteristics.

Cup stock clay coated paper is an essential player in the world of disposable food and beverage packaging. Its superior printability, strength, moisture resistance, food-grade quality, customization options, and commitment to sustainability make it a top choice for businesses seeking to provide both functional and visually appealing packaging solutions. The next time you enjoy your favorite drink or meal from a disposable cup or container, take a moment to appreciate the role of cup stock clay coated paper in enhancing your dining experience.

Cup Stock Natural Shade

Cup stock natural shade paper is a vital component in the world of disposable food and beverage packaging. Its eco-friendly appearance, food-grade quality, printability, sustainability efforts, and versatility in handling various temperatures make it an ideal choice for businesses seeking to provide customers with both functional and environmentally responsible packaging solutions. The next time you enjoy your favourite beverage or treat from a disposable cup, take a moment to appreciate the role of cup stock natural shade paper in making that experience possible.

Food Container Board

Food container board is an unsung hero in the world of food packaging. Its ability to maintain the freshness and safety of food products, combined with its printability, customization options, and sustainability efforts, makes it an essential material for the food industry. The next time you enjoy a meal or snack from a packaged container, take a moment to appreciate the role of food container board in preserving the flavour and quality of your food.

Magnum Bio Pack With Nano Coat Food Grade

Magnum Bio Pack with Nano Coat food grade represents a significant leap forward in food packaging technology. Its blend of sustainability, food-grade safety, Nano Coat technology, and versatile applications make it a compelling choice for businesses looking to provide eco-conscious and safe packaging solutions. As we continue to prioritize both the well-being of our planet and the safety of our food, Magnum Bio Pack (Nano Coat) stands as a remarkable innovation that addresses these critical concerns while ensuring the freshness and quality of the products we love.

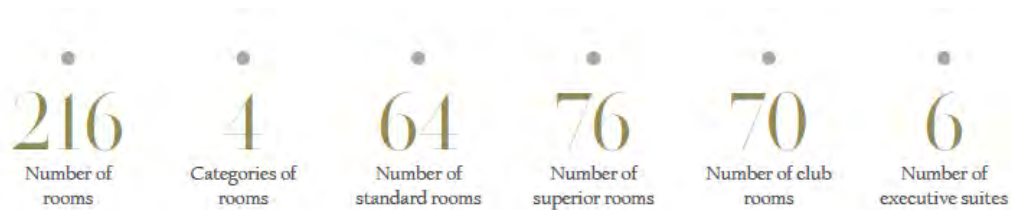
High Strength Kraft (20-30 Bf)

High Strength Kraft (20-30 BF) is a workhorse in the world of packaging materials. Its remarkable strength, versatility, sustainability, customizability, and printability make it a top choice for a range of applications. Whether it's protecting valuable machinery or enhancing the presentation of a retail product, High Strength Kraft proves its mettle as a reliable and durable packaging solution

Hotel Division

Residential Rooms:

We provide a diverse selection of rooms in our hotel property. A snapshot summarizing the categories of rooms along with their numbers has been provided below:



Restaurants:









At our hotel property, we have curated a complement of six restaurants with mutually exclusive cuisine options designed to offer customers a wide choice. Our vegetarian cuisines include Indian, Japanese, Chinese, Scandinavian, Mediterranean, Italian, Thai, Mexican and Mongolian. During the last decade, our Company scaled the number of covers across its restaurants through a tracking of rising cover occupancy; our Company increased the covers of existing restaurants and launched new options, enhancing capital efficiency on the one hand and revenue throughput on the other. Our Company made periodic improvements and additions to its existing offering with the objective of serving a wider audience, enhancing use and strengthened revenues. The proportion of food & beverages to room revenue increased from 30.78% in FY 2021-22 to 51.49% in FY 2022-23.

	<p>1 64/6 Cuisine specialty: Multi cuisine buffet with a spread of over 150 items (breakfast, lunch and dinner) Number of covers: 300</p>		<p>4 The Country Lounge Nature Tea and coffee lobby lounge. Cuisine specialty: Tea, coffee and light snacks Number of covers: 40</p>
	<p>2 Tatva Nature Fine dining Indian specialty restaurant Cuisine specialty: Indian Number of covers: 62</p>		<p>5 Royal Lounge Nature A meeting lobby lounge for special occasions. Cuisine specialty: Tea, coffee and light snacks Number of covers: 32</p>
	<p>3 3B's Nature Publike restaurant cum lounge bar with live DJ and mega LED screen. Cuisine specialty: Sizzlers and Flame Number of covers: 150</p>		<p>6 Little Italy Nature Specialty restaurant Cuisine specialty: Authentic Italian and Mexican vegetarian food Number of covers: 80</p>

Banquet Halls:

Our hotel property has emerged as a preferred location for large weddings and conferences. The property's preference is based on a complement of the following factors: five star status, Radisson brand association, large number of rooms to host multiple wedding events, 8 banquet rooms (aggregate 5,3635 sq ft), capacity to address up to 2,500 guests and an anytime in-house car parking for 400 guests. Our Company provides one of the most convenient 5-star locations in the NCR for large events. Our Company provides a one-stop solution for Indian

weddings, comprising an ecosystem of service providers to decorations, events advisory, baarat procession area and service, garlanding spot decoration, guest management and valet parking.

	<p>1</p> <p>Darbar Hall Area: 21,000 sq ft Number of peak guests occupancy: 800 to 1,000 guests</p>		<p>5</p> <p>Imperial Hall Area: 2,550 sq ft Guest rooms: 150</p>
	<p>2</p> <p>Grand ball room and pre-function area Area: 11,500 sq ft Number of peak guest occupancy: 500 guests</p>		<p>6</p> <p>Viceroy Hall Area: 1,875 sq ft Guest rooms: 80</p>
	<p>3</p> <p>Royal Heritage Area: 7,250 sq ft Number of peak guest occupancy: 400 guests</p>		<p>7</p> <p>Crystal Hall Area: 2,700 sq ft Guest rooms: 100</p>
	<p>4</p> <p>Majestic Hall Area: 4,360 sq ft Guest rooms: 300</p>		<p>8</p> <p>Utsavl Hall Area: 2,400 sq ft Guest rooms: 90</p>

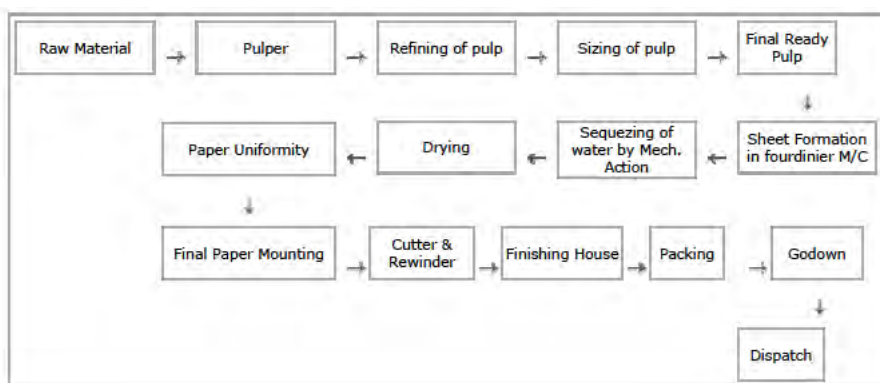
Manufacturing Process

Raw Materials

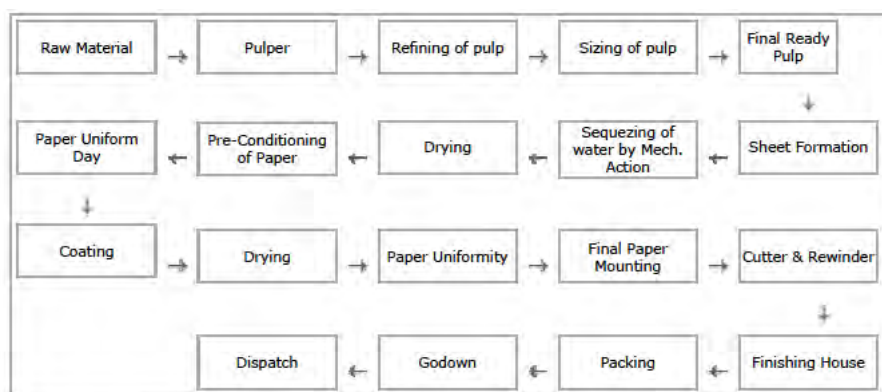
There are two main fibrous raw materials used in papermaking. These are eco-friendly waste paper and recovered paper. In addition, a quantity of additives (mainly natural mineral fillers) and dyestuffs are used together with traces of auxiliary chemicals. A further raw material is water, which is used in large quantities during the papermaking process but is then recovered and reused, or returned to the watercourse from which it is extracted.

The major raw material for manufacturing of paper comprises of eco-friendly waste paper, waste paper and chemicals like rosin, bleaching powder, starch etc. The main raw material for manufacture of writing & printing paper and, duplex boards is waste paper. Waste paper is procured either from the domestic market or international market. In the domestic market there are established suppliers who have big collection centers as well as small dealers who are operating in Local area. In the International market, there are huge established suppliers, having agents in different parts of the world to market the waste paper.

Flow chart for manufacturing of newsprint paper, food container kraft paper and high strength kraft paper



Flow chart for manufacturing of duplex board



Quality Control System

To deliver the final product as per market norms and standards, the Company has pre and post quality control system that are carried on in its in-house laboratory. The laboratory is facilitated with all modern testing equipments.

List of machinery

A list of machinery housed in our manufacturing unit is provided below:

S. No.	Particulars of machinery	Number of machinery	Usage
1.	Conveyor	1 Unit	Feeding of waste paper
2.	Hi cone pulper	1 Unit	Crushing of waste paper
3.	Poire	2 Unit	Segregation of plastic from pulp
4.	Hi Density Cleaner	2 Unit	Removal of sand and hard particles from pulp
5.	Verticle screens	3 Unit	Removal of plastic etc.
6.	3 F Sceens	2 Unit	Removal of plastic etc.
7.	Centricleaner	1 Unit	Removal of sand
8.	Decker Thickner	4 Unit	Drainage of excess water from pulp
9.	Reject sorter	1 Unit	Fine plastic removal from pulp
10.	Pulp storage & chemical mixing chest with Agitator and Pumps	12 Unit	Preparation and storage of pulp
11.	SR Box	1 Unit	Consent flow of the pulp
12.	Extractor Press with moulds	8 Unit	Forming uniform layer from pulp

13.	Vacuum Pumps	2 Unit	Sucking of excess water from board
14.	Press section with synthetic felts	5 Unit	Squeezing of excess water from the board
15.	Pre & post dryer section with SLDF felts	35 Unit	Drying of board sheets
16.	Calander & coating section	1 Unit	Chemical coating on the board sheets and uniform smoothness of the board
17.	Pope Reels	1 Unit	For reeling of board sheet
18.	Slitter Rewinder	1 Unit	For slitting and cutting of board sheet in reels
19.	Sheet Cutters	5 Unit	For cutting of board sheet from the reels
20.	Grey Board Lamination Machinery	2 Unit	For lamination of multiple board reels and cutting into sizes

A list of equipments for manufacturing of newprint, N.S. Paper, Kraft Paper, food container kraft is provided below:

S. No.	Particulars of machinery	Number of machinery	Usage
1.	Conveyor	2 Unit	Feeding of waste paper
2.	Hi cone pulper	2 Unit	Crushing of waste paper
3.	Poire	3 Unit	Segregation of plastic from pulp
4.	Hi Density Cleaner	2 Unit	Removal of sand and hard particles from pulp
5.	Verticle screens	9 Unit	Removal of plastic etc.
6.	De-inking cells	2 Units	Removal of ink from pulp
7.	Centricleaner	1 Unit	Removal of sand
8.	Disk filter	1 Unit	For thickening of pulp
9.	Screw Press	1 Unit	For thickening of pulp
10.	Disperser	1 Unit	Ink and other particles removing from pulp
11.	Crofta	2 Unit	For Back water cleaning
12.	Pulp storage & chemical mixing chest with Agitator and Pumps	18 Unit	Preparation and storage of pulp
13.	Head Box	1 Unit	Formation uniform layer from pulp
14.	Wire Part	1 Unit	Squeezing of excess water from the paper and maintaining uniform layer
15.	Vacuum Pumps	1 Unit	Sucking of excess water from the paper
16.	Press section with synthetic felts	3 Unit	Squeezing of excess water from the paper layer
17.	Dryer section with SLDF felts	25 Unit	For drying of paper sheet
18.	Calander Roll	2 Unit	For smoothness and uniform layer maintaining of the paper sheet
19.	Pope Reels	1 Unit	For paper sheet winding
20.	Slitter Rewinder	1 Unit	For slitting and cutting of paper sheet in to various sizes

21.	Food Container Chemical Coating Unit	1 Unit	Coating of chemicals for the protection of food items
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SEGMENT WISE REVENUE BREAK -UP

The gross revenue of the Company and its breakup on the basis of financials are as under:

Sr. No	Particulars	(₹ in lakhs)							
		For the period ended September 30, 2023		FY 2022-23		FY 2021-22		FY 2020-21	
		Amount	%	Amount	%	Amount	%	Amount	%
1	Paper	18,478.91	78.61	37,675.22	80.95	28,042.70	84.57	15,806.00	86.65
2	Hotel	5,029.65	21.39	8,865.34	19.05	5,117.43	15.43	2,435.00	13.35
	Total	23,508.55	100.00	46,540.56	100.00	33,160.13	100.00	18,241.00	100.0

For further details, please refer to the section titled “Financial Statements” beginning on page 128 of this Letter of Offer.

Utilities:

Power

Our manufacturing unit has adequate power supply from UP State Electricity Board. To cut down the power cost, our Company installed co-generation plant. As a stand by arrangement, our Company is also in possession of multiple D.G. sets, thus ensuring adequate availability of power to meet the requirements.

Hotel Unit: Our hotel received power supply from UP State Electricity Board. It has also maintained multiple D.G. sets to be used as a standby arrangement.

Steam/ Fuel / Water

Our Company has installed high-speed boiler, for power generation through turbine and for drying of paper and board. To meet the requirement of water, our Company has borewells, motor and, water storage tank.

Coal as per requirement is purchased through open market auctions made by the Government of India, which is through online bidding. Furnace oil / diesel as per requirement are directly purchased from Bharat Petroleum Corporation Limited /Indian Oil Corporation.

Waste Management

We have installed an effluent treatment plant, for primary treatment of waste generated from the manufacturing unit, set up as per the guidelines of the State Pollution Control Board. After primary treatment of water in our effluent treatment plant the water is discharged through drainage lines for secondary treatment, which makes the water free from harmful, dangerous and indigenous substances.

Capacity Installed and Capacity Utilisation

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years.

Financial Year	Installed Capacity (in meters)	Utilized Capacity (in meters)	Percentage of utilization (%)
2023-2022	85000	69194	81%
2022-2021	85000	56828	67%
2021-2020	85000	41052	48%

COLLABORATIONS

As on date of this Draft Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

Marketing

Our Company has a strong network of distributors, dealers and wholesalers in our targeted regions who have been associated with our Company for marketing of its products for more than 15 years. Our Company follows a two tier marketing system consisting of: i. Dealers network spread all over India; ii. Direct marketing to big industrial consumers, Govt. agencies and export. Our Company is ideally located at Sahibabad which is located very close to Delhi, one of the largest markets of paper in India. Apart from its own requirement in a bulk quantity, Delhi is a re-exporting centre to its neighboring states. Supply to Delhi is very fast with almost zero freight factor which is supposed to be a big for marketing its product. The concept of a strong home market is catching up fast due to inventory cost freight factor and lead time in getting the supplies.

In our Hotel Division, we partner with brands like, Little Italy, India's largest home-grown Italian brand. Little Italy provides vegetarian dishes of Italian origin that blends with Country Inn hotels. Our Company organises food festivals as a part of its branding initiative where guests are invited through SMS and e-mails. Our Company's food festivals span a range of cuisine. For instance: festivals have been organised by making dishes with one kind of fruit and vegetables as well as cultural preferences and seasonal changes. Our Company's chefs have participated in various competitions and won innumerable awards in various categories.

Insurance

We maintain insurance policies that are customary for companies operating in our industry. Our insurance policies are in respect of buildings and equipment covering losses due to fire and special perils, burglary, electrical or mechanical breakdown, money insurance and allied perils.

INTELLECTUAL PROPERTY RIGHTS

Our Company has not registered any intellectual property rights as on date of this Letter of Offer.

COMPETITION

Paper being a global industry, we face competition from organized as well as unorganized players in the paper industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures. We believe the principal elements of competition in paper industry are price, quality, timely delivery and reliability.

Our hotel operates in a highly competitive environment. Competition is primarily based on room rates, quality of accommodations, service level, location and quality of amenities. In addition to the presence of national brands, a number of international brands have also increased their presence in the Indian market in recent years. Whilst some of these hotels may have certain competitive advantages over us due to greater brand awareness, global spread of operations and distribution networks, we believe our hotel has a better ability to leverage its location and quality of services. We also believe that our familiarity with the complex governmental approval process associated with development of new hotels in India gives us a competitive advantage over new entrants in the Indian market.

HUMAN RESOURCES

Our employees are key contributors to our business success. As on September 30, 2023, we have 1,488 employees including our Executive Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a business wise employee break-up:

Business	Number of Employees
Paper	919
Hotel	569
Total	1488

LAND AND PROPERTY

We have taken our Registered Office and our Corporate Office on a leasehold basis. Our Hotel is also situated on leasehold premises obtained from U.P State Industrial Development Corporation Limited.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than twelve (12) Directors. As on date of this Letter of Offer, we have eight (08) Directors on our Board, which includes, two (02) Managing Directors, one (01) Whole Time Director, one (01) Non-Executive Non-Independent Director and four (04) Independent Directors, all of whom are also the women directors of our Company.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Parveen Jain DIN: 00423833 Date of Birth: February 16, 1962 Designation: Chairman and Non-Executive Director Address: 4326/3, Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India Occupation: Business Term: Liable to retire by rotation Nationality: Indian (Non-Resident Indian)</p>	61	<p><i>Indian Companies</i></p> <p>Magnum Hotels and Resorts Private Limited</p> <p><i>Foreign Companies</i></p> <p>M/s Marriage Banquet International FZE RAK, UAE</p>
<p>Abhay Jain DIN: 01876385 Date of Birth: September 3, 1973 Designation: Managing Director Address: 113/3-4 Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India Occupation: Business Term: For a period of 5 (Five) years commencing from August 10, 2022 till August 9, 2027. Nationality: Indian</p>	50	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p>Pradeep Kumar Jain DIN: 00024879 Date of Birth: September 5, 1959 Designation: Managing Director Address: 113/3-4 Ansari Road, Darya Ganj, Central Delhi – 110 002, Delhi, India Occupation: Business</p>	64	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Term: For a period of 5 (Five) years commencing from February 4, 2019 till February 3, 2024. Pursuant to a resolution passed by the Board of Directors of our Company in their meeting held on August 11, 2023 and by the Shareholders in the Annual General Meeting held on September 20, 2023, the Managing Director has been re-appointed for a further period of five years with effect from February 4, 2024.</p> <p>Nationality: Indian</p>		
<p>Shiv Pravesh Chaturvedi</p> <p>DIN: 06834388</p> <p>Date of Birth: January 1, 1975</p> <p>Designation: Whole-Time Director</p> <p>Address: House No. C-1103, Arunima Palace, Sector-4, Vasundhara, Ghaziabad- 201 012, Uttar Pradesh, India.</p> <p>Occupation: Professional (Service)</p> <p>Term: For a period of 5 (Five) years commencing from August 10, 2022 till August 9, 2027</p> <p>Nationality: Indian</p>	49	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p>Jyoti</p> <p>DIN: 08296989</p> <p>Date of Birth: May 23, 1992</p> <p>Designation: Independent Director</p> <p>Address: B-3/488A, Tara Nagar, Sector 15, Kakrola, South West Delhi – 110 078, Delhi, India.</p> <p>Occupation: Business</p> <p>Term: For a period of 5 (Five) years commencing from February 14, 2019 till February 13, 2024</p> <p>Nationality: Indian</p>	31	<p><i>Indian Companies</i></p> <p>Bygging India Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p>Shalini Rahul</p> <p>DIN: 09357650</p> <p>Date of Birth: November 19, 1972</p> <p>Designation: Independent Director</p> <p>Address: C-2/503, Lotus Pond, Vaibhav Khand, Indirapuram, Shipra Sun City, Ghaziabad – 201 014, Uttar Pradesh, India.</p> <p>Occupation: Associate Professor</p>	50	<p><i>Indian Companies</i></p> <ol style="list-style-type: none"> 1. Intec Capital Limited 2. Cranex Limited <p><i>Foreign Companies</i></p> <p>Nil</p>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Term: For a period of 5 (Five) years commencing from August 10, 2022 till August 9, 2027</p> <p>Nationality: Indian</p>		
<p>Aanchal Jain</p> <p>DIN: 05348101</p> <p>Date of Birth: May 2, 1979</p> <p>Designation: Independent Director</p> <p>Address: 192, Jaipur House, Agra – 282 010, Uttar Pradesh, India</p> <p>Occupation: Self Employed</p> <p>Term: For a period of 5 (Five) years commencing from December 28, 2022 till December 27, 2027</p> <p>Nationality: Indian</p>	44	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p>Jyoti Bansal</p> <p>DIN: 08489503</p> <p>Date of Birth: April 29, 1992</p> <p>Designation: Independent Director</p> <p>Address: 21, New Loyal Pur Extension, Krishna Nagar, Gandhi Nagar, Delhi – 110 051, Delhi, India.</p> <p>Occupation: Self Employed</p> <p>Term: For a period of 5 (Five) years commencing from December 28, 2022 till December 27, 2027.</p> <p>Nationality: Indian</p>	31	<p><i>Indian Companies</i></p> <ol style="list-style-type: none"> 1. Bygging India Limited; 2. Ajay Industrial Corporation Limited; 3. Marda Commercial & Holdings Limited; <p><i>Foreign Companies</i></p> <p>Nil</p>

Brief Biographies of our Directors

Parveen Jain, aged 61 years, is the Chairman and Non-Executive Director of our Company. He holds a bachelor's degree in arts from University of Delhi. He has an experience of more than 35 years in the Paper industry. He is primarily involved in strategic decision-making. He has been instrumental in development of the Hotel in the Company and structuring technological up gradation and modernization program undertaken in the Paper Units. He has hands-on experience in the areas of finance, taxation and accounting department. He is looking after the finance & accounts function of the company, besides company secretarial function.

Abhay Jain, aged 50 years, is the Managing Director of our Company. He holds a bachelor's degree in arts from University of Delhi. He has an experience of more than 28 years in the Paper Industry. He is handling the purchase of raw materials and is looking after the marketing and manufacturing process of Paper and also new product development. Besides he is also involved in the marketing and business development of the Hotel Business of the Company.

Pradeep Kumar Jain, aged 64 years, is the Managing Director of our Company. He holds a bachelor's degree in arts from University of Delhi. Besides assuming overall responsibility of the company, he is looking after the production function of the paper division of the Company. He has more than 41 years of experience in the Paper

Industry. He is responsible for production, marketing and administration of the Paper Unit of the Company. He is also responsible for the administration of the Hotel Unit of the Company.

Shiv Pravesh Chaturvedi, aged 49 years, is the Whole-Time Director of our Company. He attended Kanpur University to pursue bachelor's degree in arts. He holds a master's degree in business administration from the Asian Institute of Management & Technology. He has complete the diploma programme in personnel management and industrial relation from Bhartiya Shiksha Parishad, Uttar Pradesh. In the past he was associated with M/s Kailash Pati Paper Mills Ltd., Sikandrabad, Bulandshahr, Uttar Pradesh in the capacity of personnel officer.

Jyoti, aged 31 years, is the Independent Director of our Company. She holds a bachelor's degree in commerce from University of Delhi. She has also attended Hans Law College, Kotputli to pursue bachelor's degree of law. In the past she was associated with Codword Global Private Limited in the capacity of head – HR & legal.

Shalini Rahul, aged 50 years, is the Independent Director of our Company. She holds a bachelor's degree in science (chemistry, zoology and botany) and a master's degree in business administration from Agra University. She also holds a master's degree in science (chemistry) from Doctor Bhimrao Ambedkar University. She participated in the faculty development programme in management organised by the Indian Institute of Management, Ahmedabad. She has also completed the fellow programme in management organised by the Management Development Institute, Gurgaon, pursuant to which the title of '*fellow of the Management Development Institute, Gurgaon*' was conferred upon her. She is associated with Institute of Management Technology, Ghaziabad in the capacity of associate professor.

Aanchal Jain, aged 44 years, is the Independent Director of our Company. She has attended Dr. Bhimrao Ambedkar University, Agra to pursue a bachelor's and a master's degree in commerce. She is registered as an insolvency professional and a valuer of securities or financial assets with the Insolvency and Bankruptcy Board of India. She is a fellow member of the Institute of Company Secretary of India and has been issued a certificate of practice by the Institute of Company Secretary of India. She is the proprietor of Aanchal Jain & Co, a proprietary concern which specialises in offering secretarial advisory and consultancy services.

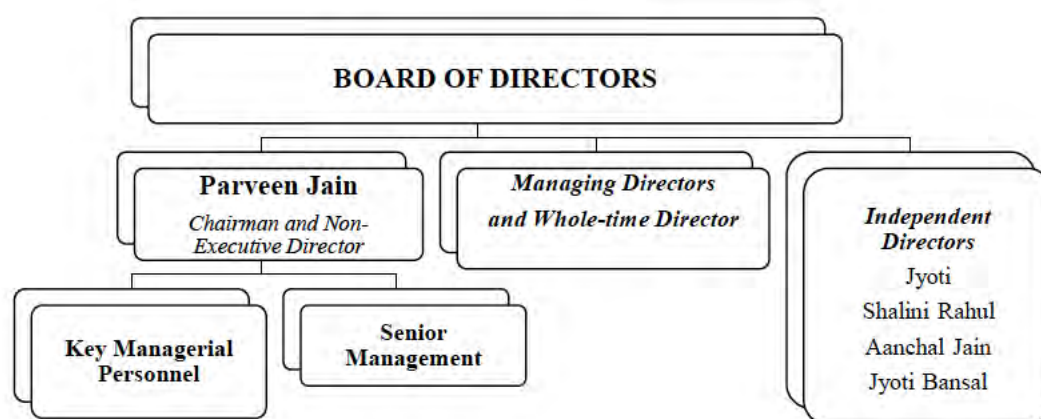
Jyoti Bansal, aged 31 years, is the Independent Director of our Company. She holds a bachelor's degree in commerce from University of Delhi. She also attended the Chaudhary Charan Singh University, Meerut to pursue bachelor's degree in law. She has attended the Indira Gandhi National Open University to pursue master's degree in commerce. She is a fellow member of the Institute of Company Secretary of India and holds a certificate of practice issued by the Institute of Company Secretary of India. She is the proprietor of Jyoti Bansal & Associates, a proprietary concern which specialises in offering secretarial advisory and consultancy services. She is associated with Bygging India Limited, Ajay Industrial Corporation Limited, Marda Commercial & Holdings Limited, Renesola Power Private Limited, and RNS green Energy Private Limited in the capacity of a director.

Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including the constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee.
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

(a) Audit Committee

The Audit Committee was re-constituted by a resolution of our Board dated April 10, 2023. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Aanchal Jain	Chairman	Independent Director
Jyoti Bansal	Member	Independent Director
Parveen Jain	Member	Non-Executive Director
Shalini Rahul	Member	Independent Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference;
- (2) to seek information from any employee;
- (3) to obtain outside legal or other professional advice;
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company to take up steps in this matter;
- (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (11) scrutiny of inter-corporate loans and investments;
- (12) valuation of undertakings or assets of the Company, wherever it is necessary;
- (13) evaluation of internal financial controls and risk management systems;
- (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- (18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) monitoring the end use of funds raised through public offers and related matters;
- (21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (22) reviewing the functioning of the whistle blower mechanism;
- (23) monitoring the end use of funds raised through public offers and related matters;
- (24) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (25) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (26) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,00,00,00,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- (27) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (29) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations, Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor;
5. statement of deviations in terms of the SEBI Listing Regulations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
6. review the financial statements, in particular, the investments made by any unlisted subsidiary;
7. such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was re-constituted by a resolution of our Board dated May 28, 2022. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of Director	Position in the Committee	Designation
Jyoti	Chairman	Independent Director
Aanchal Jain	Member	Independent Director
Jyoti Bansal	Member	Independent Director
Parveen Jain	Member	Non-Executive Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”).

the Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) for every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates.

- (3) formulation of criteria for evaluation of independent directors and the Board;
- (4) devising a policy on Board diversity;
- (5) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- (6) analysing, monitoring and reviewing various human resource and compensation matters;
- (7) deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (8) determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (9) recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (10) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (11) reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (12) perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
- (a) to administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - i. determining the eligibility of employees to participate under the ESOP Scheme;
 - ii. determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - iii. date of grant;
 - iv. determining the exercise price of the option under the ESOP Scheme;
 - v. the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - vi. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - vii. the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - viii. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ix. re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - x. the grant, vest and exercise of option in case of employees who are on long leave;
 - xi. allow exercise of unvested options on such terms and conditions as it may deem fit;
 - xii. the procedure for cashless exercise of options;
 - xiii. forfeiture/ cancellation of options granted;
 - xiv. formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and

- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (13) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.
 - (14) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
 - (15) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
 - (16) to consider any other matters as may be requested by the Board; and
 - (17) to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.
 - (18) the committee is authorised by the Board to:
 - (a) investigate any activity within its terms of reference;
 - (b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
 - (c) call any director or other employee to be present at a meeting of the Committee as and when required.
 - (19) if the Committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

The Nomination and Remuneration Committee Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was re-constituted by a resolution of our Board dated May 28, 2022. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Jyoti Bansal	Chairman	Independent Director
Jyoti	Member	Independent Director
Parveen Jain	Member	Non-Executive Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (2) review of measures taken for effective exercise of voting rights by shareholders;
- (3) investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
- (4) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
- (5) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (6) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (7) to approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (8) to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (9) to monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
- (10) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and
- (11) such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

Additionally, our Company has constituted various operational committees such as the Rights Issue Committee and Internal Complaint Committee.

Our Key Managerial Personnel

In addition to our Managing Directors and Whole-time Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Parv Jain, aged 36 years, is the Chief Financial Officer of our Company. He holds graduate degree in B. Sc. (finance and marketing) from IILM, Lodhi Road, New Delhi and post graduate diploma in hospitality from Les Roches, Switzerland. I was appointed as the Chief Financial Officer of our company w.e.f. September 13, 2016 and working in this capacity till date. He currently overlooks operations and finance of our Company along with professionals and consultants.

Aaina Gupta, aged 31 years, is the Company Secretary and Compliance Officer of our Company. She attended Mahatma Jyotiba Phule, Rohilkhand University, Bareilly to pursue bachelor's degree in commerce; and Indira Gandhi National Open University to pursue master's degree in commerce. She is an associate member of the of the Institute of Company Secretary of India. In the past she was associated with Pacific News Private Limited in

the capacity of company secretary and with M/s. Munish K Sharma & Associates, Company Secretaries, in the capacity of a partner. She has been associated with our Company since December 1, 2021.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Our Senior Managerial Personnel

Hotel Division of our Company

Ujjwal Jain, aged 26 years, is General Manager (Operations) of our Company. He holds a bachelor's degree in business administration from North Hampton University, London. He is responsible for enhancing the visibility, brand and footfalls of the hospitality business. He has been associated with our Company since April 1, 2017. During Fiscal 2023, he has drawn a remuneration of ₹ 15 lakhs.

Rishab Jain, aged 38, is General Manager – Business Development. He holds a bachelor's degree in business administration from Brunel University, London. He is engaged in managing the development of the hospitality business. His responsibilities encompass enhancing guest experiences by focusing on essential facilities and implementing improvements around guest feedback. He has been associated with our Company since February 1, 2017. During Fiscal 2023, he has drawn a remuneration of ₹ 17.5 lakhs.

Sukhpreet Kaur Bedi, aged 46 years, is General Manager Business Development & F&B Sales of our Company. She holds bachelor's degree in arts from University of Delhi. In the past she was associated with The Imperial, New Delhi in the capacity of associate director- F&B sales; The Claridges, New Delhi in the capacity of business development manager (banquet sales); City Park Hotel in the capacity of sales & marketing manager; Radisson MBD Hotel, Noida in the capacity of banquet sales manager and The Metropolitan Hotel Nikko in the capacity of business development manager. She has been associated with our Company since March 8, 2010. During Fiscal 2023, she has drawn a remuneration of ₹ 23.78 lakhs.

Naresh Chandra Sharma, aged 69 years, is Director – Human Resources of our Company. He holds bachelor's degree in science and a master's degree in commerce from University of Udaipur. He also attended University of Udaipur to pursue a diploma course in labour welfare and personnel management. In the past he was associated with AHA Air Hostess Academy Private Limited in the capacity of general manager human resource; Shapoorji Pollonji & Co Limited; Kabul Serena Hotel in the capacity of director- human resource; The Metropolitan Nikko, New Delhi in the capacity of director of human resources, Park Royal, New Delhi in the capacity of manager – personnel and National Engineering Industries Limited in the capacity of personnel manager. He has been associated with our Company since May 7, 2009. During Fiscal 2023, he has drawn a remuneration of ₹ 16.94 lakhs.

Sushil Chander Chug, aged 70 years, is General Manager of our Company. He attended IHN CN Pusa, New Delhi to pursue diploma in hotel management catering and nutrition and also have completed course - kitchen management from Career Development Institute. In the past he was associated with The Lalit Hospitality Group, The Grand, New Delhi in the capacity of executive chef; The Metropolitan. Hotel Nikko, New Delhi in the capacity of executive chef; Nicon Noga Hilton Hotel, Lagos in the capacity of director of kitchen operations and Hilton International Khartoum, Sudan in the capacity of executive chef; Hilton International, Bahrain in the capacity of executive sous chef; Aswan Oberoi, Aswan Egypt in the capacity of sous chef, Hilton International, Egypt in the capacity of sous chef and Hilton International Alain, Abu Dhabi in the capacity of executive chef. He has been associated with our Company since November 26, 2009. During Fiscal 2023, Sushil C Chug has drawn a remuneration of ₹ 15.18 lakhs.

Neeraj Pal Singh Tomar, aged 50 years, is Director of Rooms of our Company. He attended Bundelkhand University, Jhansi to pursue bachelor's degree in commerce. He has also attended National Council for Hotel Management and Catering Technology to pursue post graduate diploma in accommodation, operation and management. In the past he was associated with Crowne Plaza Today, Gurgaon in the capacity of assistant housekeeping manager; and Intercontinental Eros Nehru Place, New Delhi in the capacity of assistant housekeeping manager. He has been associated with our Company since December 22, 2008. During Fiscal 2023, he has drawn a remuneration of ₹ 14.60 lakhs.

Sudesh Kumar Srivastava, aged 56 years, is Vice President – Operations and Unit Head of our Company. He holds bachelor's degree in commerce from Rohilkhand University. He has passed the degree examination held for the master's degree in business administration organised by Asian Institute of Management & Technology. In the past he was associated with Vadilal Industried Limited. He has been associated with our Company since December 15, 2009. During Fiscal 2023, Sudesh Srivastava has drawn a remuneration of ₹ 11.53 lakhs.

Dibyendra Ghosh, aged 44 years, is Director- Food & Beverage of our Company. He holds diploma in hotel management and catering technology from National Council for Hotel Management and Catering Technology, New Delhi. In the past he was associated with Golden Tulip Vasundhara Hotels & Suites in the capacity of food and beverage manager; and Bradburry's Quiet Waters, Pune in the capacity of assistant food and beverage manager. He has been associated with our Company since March 14, 2016. During Fiscal 2023, he has drawn a remuneration of ₹ 11.48 lakhs.

Amit Pratap Singh, aged 39 years, is Director – Revenue & Marketing of our Company. He attended D.B.S. P.G. College, Chhatrapati Shahu Ji Maharaj University, Kanpur to pursue bachelor's degree science and holds post-graduate diploma in tourism management from Institute of Management Studies, Ghaziabad. In the past, he was associated with International Vacation, Inc. He has experience in sales and marketing. He has been associated with our Company since June 4, 2012. During Fiscal 2023, he has drawn a remuneration of ₹ 10.40 lakhs.

Rajesh Kumar Sharma, aged 53 years, is Associate Director - Finance of our Company. He has attended Ch. Charan Singh University, Meerut to pursue bachelor's degree in commerce and has completed a computer package programming course from Computer Education Centre. In the past he was associated with Singhal Matta & Co., Chartered Accountant in the capacity of an accounts assistant; Span Holidays, in the capacity of assistant manager (accounts); Hotel Vikram, New Delhi in the capacity of assistant manager (accounts) and Hotel Park Premier-Gurgaon in the capacity of manager finance. He has been associated with our Company since November 19, 2010. During Fiscal 2023, he has drawn a remuneration of ₹ 10.34 lakhs.

Ajay Sharma, aged 48 years, is Director – Banquets Administration of our Company. He attended Deshbandhu (Evening) College, University of Delhi to pursue bachelor's degree in commerce and also holds a bachelor's degree in technology in home science from Nagpur University. In the past, he was associated with The Metropolitan, New Delhi in the capacity of manager (F&B). He has significant experience in handling a diverse range of operations entailing material management and budgeting. He has been associated with our Company since November 2, 2009. During Fiscal 2023, he has drawn a remuneration of ₹ 8.43 lakhs.

Rajnish Sharma, aged 43 years, is Associate Director – Information Technology of our Company. He attended Ch. Charan Singh University, Meerut to pursue bachelor's degree in arts. He also holds a diploma in software engineering from Aptech Computer Education Private Limited. In the past he was associated with The Lalit, New Delhi in the capacity of assistant manager. He has been associated with our Company since September 8, 2014. During Fiscal 2023, Rajnish Sharma has drawn a remuneration of ₹ 7.40 lakhs.

Paper Division of our Company

Ritesh Jain, aged 42 years, is General Manager (Technical) of our Company. He holds a bachelor's degree in business administration from Nottingham University (United Kingdom). He is engaged in the technical operations of the paper manufacturing business and has been associated with our Company since February 1, 2017. His responsibilities comprise the management of technical production aspects. He is responsible for strengthening the core of the business through periodic technical investments, environment integrity, product customization and enhancing system productivity. During Fiscal 2023, he has drawn a remuneration of ₹ 17.5 lakhs.

Shrenik Jain, aged 29 years, is General Manager (Operations) of our Company. He holds a bachelor's degree in commerce from Delhi University. He also has passed foundation examination conducted by Institute of Chartered Accountant of India. He has been actively engaged in the Company's operations since February 1, 2017. In his position as General Manager, Operations, he oversees the overall operations of the paper manufacturing division. During Fiscal 2023, he has drawn a remuneration of ₹ 16.2 lakhs.

Alok Pushkar Saxena, aged 45 years, is DGM accounts of our Company. He attended Dr. Bhimrao Ambedkar University, Agra to pursue bachelor's and master's in commerce. In the past, he was associated with M/s J.K. Monga & Associates New Delhi in the capacity of audit manager; with M/s Nu Tek India Ltd. Gurgaon, Haryana in the capacity of sr. manager accounts; with M/s Sanyog Health Care Ltd., Nangloi, New Delhi in the capacity

of manager - accounts. He has been associated with our Company since October 26, 2022. During Fiscal 2023, Alok Pushkar Saxena has drawn a remuneration of ₹ 4 lakhs.

Devendrasingh Rajput, aged 51 years, is production manager of our Company. He holds bachelor's degree in science from Purvanchal University, Jaunpur. In the past, he was associated with M/s Surya Coat Private Limited in the capacity of lab incharge; with M/s Rainbow Papers Limited in the capacity of asst. manager coating; and with M/s Shakti Packing in the capacity of manager. He has been associated with our Company since March 3, 2022. During Fiscal 2023, Devendrasingh Rajput has drawn a remuneration of ₹ 14.48 lakhs.

Gautam Singh Negi, aged 51 years, is G.M. (Production) of our Company. He attended Ruhelkhanda Vishwavidyalaya, Bareilly to pursue bachelor's degree in science. In the past he was associated with M/s Shikha Paper Mill in the capacity of shift incharge; with M/s Sumit Agro in the capacity of shift incharge; with M/s Shakumbari Straw Limited in the capacity of sr. shift incharge; with M/s Shree Rajeshvranand Paper in the capacity of DGM production. He has been associated with our Company since July 1, 2018. During Fiscal 2023, Gautam Singh Negi has drawn a remuneration of ₹ 12.38 lakhs.

Nopin Kumar, aged 49 years, is G.M (Production) of our Company. He attended Ch. Charan Singh University, Meerut to pursue bachelor's degree in science. He holds post graduate diploma in pulp and paper technology from Vasantdada Sugar Institute. In the past he was associated with M/s Ballarpur Industries Limited in the capacity of plant trainee; with M/s Shree Krishna Paper Mill Limited in the capacity of production incharge; and with M/s NR Aggarwal Paper Board Limited in the capacity of production in charge coating. He has been associated with our Company since July 7, 2016. During Fiscal 2023, Nopin Kumar has drawn a remuneration of ₹ 15.38 lakhs.

Sanjay Kumar Sharma, aged 54 years, is DGM- accounts of our Company. He attended Meerut University to pursue bachelor's degree in commerce. He also has passed intermediate examination held by the Institute of Cost and Works Accountants of India. In the past he was associated with M/s Sybly Spinning Industries Limited in the capacity of account officer; with M/s Diamond Forever International A Gold Refinery, Rudrapur, Uttarakhand in the capacity of head finance and accounts; and with M/s Glorious Mediscience India Private Limited in the capacity of head finance and accounts. He has been associated with our Company since August 28, 2017. During Fiscal 2023, Sanjay Kumar Sharma has drawn a remuneration of ₹ 9.68 lakhs.

Vikas Rastogi, aged 49 years, is G.M. (Production) of our Company. He holds bachelor's degree in science from Meerut University; master's degree in science from Chaudhary Charan Singh Vishwavidyalaya, Meerut and post graduate diploma in pulp and paper technology from Forest Research Institute, Dehradun. In the past he was associated with M/s Dev Priya Papers Ltd., Meerut in the capacity of sr. shift incharge; with M/s Khanna Paper Mills Ltd., Amritsar, Punjab in the capacity of shift supt.; with M/s Gayatri Shakti Paper & Board Ltd., Vapi, Gujarat in the capacity of paper maker; with M/s Rama Paper Mills Ltd., Bijnor, Uttar Pradesh in the capacity of general manager; and with M/s Uniglobal Paper Mills Pvt. Ltd., Jhargram, West Bengal in the capacity of general manager. He has been associated with our Company since November 1, 2019. During Fiscal 2023, Vikas Rastogi has drawn a remuneration of ₹ 17.18 lakhs.

All our Senior Management are permanent employees of our Company.

None of our Senior Management are entitled to receive any termination or retirement benefits.

Relationship of Key Managerial Personnel and Senior Management with other Key Managerial Personnel and Senior Management

Shrenik Jain is the brother of Parv Jain and son of Parveen Jain, Ritesh Jain and Rishabh Jain are sons of our Promoter, Pradeep Kumar Jain and Ujjwal Jain is son of Abhay Jain. Except as mentioned above, none of the Directors, Key Managerial Personnel and Senior Management are related to each other.

OUR PROMOTERS

Our Promoters are Pradeep Kumar Jain, Parmod Kumar Jain and Parveen Jain.

The details of the shareholding of our Promoters, as on date of this Letter of Offer, have been provided below:

S. No.	Name of the Promoter	Number of Equity Shares held	% of the total number of shares
1.	Pradeep Kumar Jain	27,56,900	5.76
2.	Parmod Kumar Jain	27,56,400	5.76
3.	Parveen Jain	1,66,48,510	34.81
Total		2,21,61,810	46.33

Our Company confirms that the permanent account number(s), bank account number(s) and passport number(s) of our Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Letter of Offer.

Details of our Promoters

Parmod Kumar Jain, aged 67 years is one of the Promoters of our Company. He holds a bachelor's degree in arts from Delhi University. He has 44 years of experience in the manufacturing and marketing of Paper, Paper Products and Paper Board.

Other Directorships:

The details of the directorships held by Parmod Kumar Jain have been provided below:

S. No.	Name of the Company	Interest held
1.	Nil	Nil

For details of the educational qualifications, experience, other directorships, positions / posts held by Pradeep Kumar Jain and Parveen Jain, please see the chapter titled "*Our Management*" on page 111 of this Letter of Offer.

Confirmations

1. Our Promoters have not been declared as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Except as disclosed in the chapter titled "*Outstanding Litigation and Material Developments*" on page 224 of this Letter of Offer, our Promoters have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Except as disclosed in the chapter titled "*Outstanding Litigation and Material Developments*" on page 224 of this Letter of Offer, our Promoters are not and have never been promoter(s), director(s) or person(s) in control of any other company, which is/are debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as stated in the chapter titled "*Outstanding Litigation and Material Developments*" on page 224, there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

RELATED PARTY TRANSACTIONS

For details regarding our related party transactions for the six-month period ended September 30, 2023 and for the Financial Years ended 2023, 2022 and 2021, see “*Financial Statements – Restated Financial Statements – Notes to Restated Financial Statements – Note 6: Related Party Transaction Disclosure*” on page 169 of this Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. In accordance with Regulation 43A of the SEBI Listing Regulations, our Company is not mandated to adopt a dividend distribution policy.

Dividends paid on Equity Shares:

Our Company has not declared dividends on the Equity Shares in each of the Financial Years ending 2021, 2022 and 2023 and the six-month period ended September 30, 2023 and the period between October 1, 2023 and the filing of the DLOF. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, see “*Risk Factor No. 52 – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*” on page 48 of this Letter of Offer.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Unaudited Limited Reviewed Financial Statements for the six-month period ended September 30, 2023	129
2.	Restated Financial Statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.	136
3.	Accounting Ratios	203
4.	Statement of Capitalization	211

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To
The Board of Directors
M/s MAGNUM VENTURES LIMITED

Independent Auditor's Review Report on Quarterly Unaudited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

We have reviewed the accompanying Statement of unaudited financial results of M/s **MAGNUM VENTURES LIMITED** (the 'Company') for the quarter ended September 30, 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the Listing Regulation).

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, we observe the following-

1. The Hon'ble Executive Director ('ED') of SEBI has passed an order dated May 31, 2023 (bearing No. QJA/SP/CFID/FID-SEC4/26875/2023-24) in the matter of M/s Magnum Ventures Limited and imposed penalty under section 15HA & 15HB of the SEBI Act, 1992 amounting to Rs. 12,00,000 on the company and collectively a penalty of Rs. 54,00,000 on directors and KMPs of the Company and restrained them from accessing the securities market and further prohibited from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, for a period of one year from the date of this Order. The provision of Rs. 12,00,000 has been made in the books of accounts.

Subsequent to the said order, the Company has appealed before the Hon'ble Securities Appellate Tribunal, Mumbai ('Honble SAT'), however Honble SAT vide its order dated July 13, 2023 did not provide any interim relief to the company and directed the Company to deposit the penalty amount which shall be subject to the result of the appeal.

We observe that the company had duly deposited the penalty amount in compliance to the order of Honble SAT and the matter was listed for September 22, 2023 wherein the matter has further being adjourned for three weeks.

2. The total outstanding debtors for the quarter ended September 30, 2023 amounting to Rs. 4578.43 lakhs for the paper division include Rs.156.78 lakhs which are due for more than six months and **no provision has been made for the same in the books of accounts.**

In view of the above our report is **modified** to the extent of Rs. 156.78 lakh.

3. We are unable to comment if the inventory has been physically verified by the management in the said period, since it being a technical matter we are unable to comment upon the adequacy, quantity, pricing and method being used for valuation of the inventory and have relied upon the value and quantity as certified by the management.

4. We are unable to comment if the Property, Plant & Equipment has been physically verified by the management in the said period. Accordingly, we are unable to comment upon the existence and method being used for valuation of the fixed assets.

5. We have not received the balance confirmation from M/s Alchemist Asset Reconstruction Company Limited as on September 30, 2023, any variation would be subject to reconciliation and adjustment thereon and it may Impact the true and fair view of the affairs. Also, as per the documents made available to us, there is an overdue amount of Rs 2124.40 Lakhs as on September 30, 2023.

6. Balances of debtors and creditors are subject to confirmation and reconciliation, consequential effect (if any) on the financial statements remains unascertained..

Apart from that nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sahni Bansal and Associates

Chartered Accountants

FRN. 0514470C


Pardeep Surrinder Sahni

Partner

MRN.: 093866

UDIN: 23093866869SVTV3584

Place: Ghaziabad

Date: 10/11/2023

MAGNUM VENTURES LIMITED

CIN: L21093DL1980PLC010492

Regd. Office: HNO-MNO1, Hub and Oak, E-14 Lower Ground Floor

Defence Colony, South Delhi, New Delhi - 110024

Web-Site: www.magnumventures.in, E-mail: info@magnumventures.in

Statement of Unaudited Financial Results for the Quarter and Half Yearly ended 30th September, 2023

(Rs. in Lacs)

S. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	INCOME						
I	Revenue from operations	12,093.85	11,231.12	12,925.39	23,324.97	24,523.75	46,001.44
II	Other income	51.20	132.38	45.42	183.58	168.52	548.44
III	Total Income (I + II)	12,145.05	11,363.50	12,970.81	23,508.55	24,692.27	46,549.89
	EXPENSES						
(a)	Cost of Material Consumed	7,561.57	7,460.86	9,298.63	15,022.43	19,035.21	35,207.91
(b)	Purchases of Stock-In-Trade	-	-	-	-	-	-
(c)	Change in Inventory of Finished Goods & W.I.P	785.86	374.18	904.84	1,160.04	139.72	-1,432.48
(d)	Employee Benefit Expense	1,111.08	1,108.55	1,017.04	2,219.63	1,978.17	4,106.43
(e)	Finance Cost	72.96	61.64	93.50	134.60	195.57	400.31
(f)	Depreciation and amortization expense	1,112.96	1,054.33	405.22	2,167.29	834.75	1,675.17
(g)	Other Expenses	1,224.87	927.43	871.91	2,152.30	1,937.12	3,925.30
	Total Expenses (IV)	11,869.31	10,986.99	12,591.15	22,856.30	24,120.53	43,882.64
	Profit Before Tax and Exceptional Items and tax	275.74	376.51	379.66	652.25	571.74	2,667.25
VI	Exceptional Items			-0.91		-4,267.41	-4,267.41
VII	Profit Before Tax (V - VI)	275.74	376.51	380.57	652.25	4,839.14	6,934.65
VIII	Tax Expenses (Net)						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-250.97	31.26	-	-219.71	-	-151.45
	(3) Earlier Year Tax	-	-	-	-	-	-
	Total Tax Expenses (Net)	-250.97	31.26	-	-219.71	-	-151.45
IX	Profit & Loss For the Period (VII- VIII)	526.71	345.25	380.57	871.96	4,839.14	7,086.10
X	Other Comprehensive Income						
(a)	Items that will not be reclassified to Profit or Loss	-	-	-	-	-	73,081.41
(b)	Items that will be reclassified subsequently to Profit or Loss						
	Tax Impact on Other Comprehensive Income	-	-	-	-	-	-18,394.59
	Other Comprehensive Income for the period (Net of Income Tax)	-	-	-	-	-	54,686.82
XI	Total Profit after Comprehensive Income for the period (IX + X)	526.71	345.25	380.57	871.96	4,839.14	61,772.93
XII	Paid up Equity Share Capital (Face Value Rs. 10/- per share)	4,782.69	4,782.69	3,760.19	4,782.69	3,760.19	4,210.19
XIII	Earnings per equity share:						
	(1) Basic	1.10	0.80	1.01	1.91	12.87	18.78
	(2) Diluted	1.10	0.80	1.01	1.91	12.87	18.78

Sanjay

Anand Jain



STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

S.No.	Particulars	As on 30th September, 2023	As on 31st March, 2023
A	ASSETS		
1	Non Current Assets		
	a) Property Plant and Equipment	89,883.29	91,022.10
	b) Intangible Assets	7.14	7.91
	c) Right of Use Asset	1,982.57	1,982.01
	d) Financial Assets	-	-
	i. Other Financial Assets	199.75	179.45
	Sub Total Non-Current Asset	92,072.75	93,191.48
	Current assets		
2	a) Inventories	4,256.09	5,684.98
	b) Financial Assets	-	-
	i. Trade receivables	5,150.95	3,990.17
	ii. Cash and cash equivalents	579.84	214.82
	iii. Bank Balance other than above	342.26	221.09
	iv. Loans	18.35	15.51
	v. Other Financial Asset	9.03	8.94
	c) Other Current Assets	2,544.55	945.20
	Sub Total Current Asset	12,901.06	11,080.71
	TOTAL ASSETS	1,04,973.81	1,04,272.19
B	EQUITY AND LIABILITIES		
	Equity		
3	a) Equity Share Capital	4,782.69	4,210.19
	b) Other Equity	55,284.72	54,183.74
	Sub Total Equity	60,067.41	58,393.92
	Liabilities		
	Non-current liabilities		
4	a) Financial Liabilities		
	i. Borrowings	11,383.31	9,976.83
	ii. Lease Liabilities	2,098.74	1,866.12
	b) Provisions	617.29	563.27
	c) Deferred Tax Liabilities (Net)	19,904.69	20,124.40
	Sub Total Non-Current Liabilities	34,004.02	32,530.61
	Current Liabilities		
5	a) Financial Liabilities		
	i. Borrowings	5,334.40	6,635.00
	ia. Lease Liabilities	194.40	354.86
	ii. Trade Payable	-	-
	Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer	161.95	126.33
	Total Outstanding dues of creditors other than dues to Micro and Small Enterprises	3,651.84	3,077.72
	iii. Other Financial Liabilities	871.92	2,168.00
	b) Other Current Liabilities	457.76	781.55
	c) Provisions	230.12	204.20
	Sub Total Current Liabilities	10,902.38	13,347.65
	TOTAL EQUITY AND LIABILITIES	1,04,973.81	1,04,272.19

Sanjay

Maya Jain



Segment-wise Revenue, Results and Capital Employed under Regulation 33 of the SEBI (LODR) Regulation, 2015

(Rs. in Lacs)

S. No.	Particulars	Quarter Ended			Half Yearly		Year Ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
	Segment Revenue						
1	Paper	9,860.13	8,618.78	11,472.96	18,478.91	21,331.51	37,684.54
	Hotel	2,284.93	2,744.72	1,497.85	5,029.65	3,360.76	8,865.34
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Total	12,145.05	11,363.50	12,970.81	23,508.55	24,692.27	46,549.88
	Segment Results						
2	Paper	78.44	-463.69	398.58	-385.25	4,623.65	4,786.68
	Hotel	270.26	901.84	75.49	1,172.10	411.06	2,548.29
	Less: Finance Cost	72.96	61.64	93.50	134.60	195.57	400.31
	Total	275.74	376.51	380.57	652.25	4,839.14	6,934.65
	Segment Assets						
3	Paper	71,050.25	70,791.76	43,627.56	71,050.25	43,627.56	71,056.28
	Hotel	33,923.56	33,546.12	-10,303.35	33,923.56	-10,303.35	33,125.90
	Total	1,04,973.81	1,04,337.88	33,324.21	1,04,973.81	33,324.21	1,04,272.19
	Segment Liabilities						
4	Paper	43,991.05	43,770.36	31,717.15	43,991.05	31,717.15	44,281.11
	Hotel	1,135.05	1,026.83	1,885.15	1,135.05	1,885.15	1,597.15
	Total	45,126.11	44,797.18	33,602.30	45,126.11	33,602.30	45,878.26
	Capital Employed (Segment Assets - Segment Liabilities)						
5	Paper	27,059.20	27,021.40	11,910.41	27,059.20	11,910.41	26,775.17
	Hotel	32,788.51	32,519.29	-12,188.51	32,788.51	-12,188.51	31,618.75
	Total	59,847.70	59,540.69	-278.10	59,847.70	-278.10	58,393.92

Sanjiv

Amay Jain



MAGNUM VENTURES LIMITED

CIN: L21093DL1980PLC010492

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER 2023

(Rs. In Lacs)

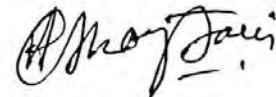
S. No.	PARTICULARS	As at 30.09.2023	As at 30.09.2022
CASH FLOW FROM OPERATIONS			
A)	Profit before Taxation	652.25	571.74
B)	Adjustments for		
I	Depreciation on Property, plant and Equipment and intangibles	2,005.42	687.59
II	Depreciation on Right to Use assets	161.87	147.16
III	Interest expenses	107.19	40.15
IV	Interest income	-5.85	-5.94
V	Profit on Sale of Fixed Asset	-	-0.91
VI	Other Non-cash items	-24.26	140.60
		2,244.37	1,008.65
	Operating profit before working capital changes	2,896.62	1,580.39
C)	(Increase)/ Decrease in Current Assets		
I	Inventories	1,428.89	-2,213.41
II	Trade Receivables	-1,160.78	-243.98
III	Loans (Current)	-2.84	-417.67
IV	Other Current Assets	-1,599.35	-58.81
V	Other Financial Assets (Current)	-0.09	35.96
VI	Other Financial Assets (Non-Current)	-20.30	-18.44
	Increase / (Decrease) in Current Liabilities		
I	Trade Payables	609.74	2,486.79
II	Provisions (Current)	25.92	80.60
III	Provisions (Non-Current)	54.01	23.67
IV	Other Current Liability	-323.79	622.30
V	Other Financial Liability	-1,296.08	-24.98
		-2,284.67	272.03
	Cash generated from operations	611.96	1,852.42
	Income tax & FBT	-	-
	Effect of Extra Ordinary Item	-	4,267.41
	NET CASH FROM OPERATIONS	611.96	6,119.83
INVESTING ACTIVITIES			
I	Additions to Capital work in progress	-	-
II	Additions to fixed assets	-865.85	-86.04
III	Sale of fixed assets	-	1.85
IV	Additions to ROU	162.43	-
V	Interest Income	5.85	5.94
	NET CASH FROM INVESTING ACTIVITIES	-697.57	-78.25
FINANCING ACTIVITIES			
I	Issue of Share	1,431.25	-
II	Prepayment of Preference	-572.50	-
III	Warrant	-357.81	-
IV	Borrowings	105.88	-6,160.85
V	Interest Paid/Payable	-107.19	-40.15
VI	Payment of lease liabilities	72.16	-180.94
	NET CASH FROM FINANCING ACTIVITIES	571.79	-6,381.94
	Net Change in cash and cash equivalents (A + B + C)	486.18	-340.36
	Cash and cash equivalents at the beginning of the period	435.92	526.12
	Cash and cash equivalents at the end of the period	922.09	185.76



Notes:

1. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
2. After Review by the Audit Committee, the above Financial Results have been approved by the Board of Directors at its meeting held on 10th November, 2023.
3. NIL investors complaint was pending at the beginning of the quarter, during the quarter no complaint was received, NIL complaint was pending as on 30th September, 2023.
4. The Company has revalued its Property, Plant and Equipment as on March 31, 2023 by adopting revaluation model, in accordance with IND AS 16, as approved by the Board of Directors, based on valuation report of an Independent Registered valuer. The impact of the same has been moved from Revaluation Reserve to Retained Earnings. The additional depreciation has been moved from Revaluation Reserve to Retained Earning as per IND AS 16.
5. The Company has increased its Authorised Share Capital from 85.500 Crores to 97.825 Crores in 43rd AGM dated 20th September, 2023.
6. The financial results for the quarter ended 30th Septemeber, 2023 are available on the Company's website (www.magnumventures.in) and the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)
7. The figures for the previous period have been regrouped/rearranged wherever necessary.
8. EPS for the Quarter are not annualised.

For Magnum Ventures Limited



**Abhay Jain
(Managing Director)**

**Date: 10th November, 2023
Place: Ghaziabad**



These financial statements do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

For Magnum Ventures Limited



**Parv Jain
(Chief Financial Officer)**

**Date: 10th November, 2023
Place: Ghaziabad**



INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENT

The Members of
M/S MAGNUM VENTURES LIMITED

Dear Sirs,

1. We have examined the attached Restated Financial Statement of Magnum Ventures Limited (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statements of Cash Flows for the years, the Restated Statements of Changes in Equity ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Statement", as approved by the Board of Directors of the Company at their meeting held on December, 12, 2023 for the purpose of inclusion in the Draft Letter of Offer and the Letter of Offer (collectively, the "Offer Documents") prepared by the Company in connection with its proposed Right Issue of Equity Shares prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (SEBI), Registrar of Companies (Ghaziabad), in connection with the proposed Right Issue. The Restated Financial Statement have been prepared by the Management of the Company on the basis of preparation stated in Annexure 5 to the Restated Financial Statement. The respective Board of Directors of the companies are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information.

3. We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter with the proposed Right Issue of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Right Issue.

Office No. 113/10, I-Floor, Navyug Market, Ghaziabad-201001 (U.P.)

Phone : (0120) 4563379, 9810036941

E-mail ID : sahnibansalca@yahoo.co.in



4. These Restated Financial Statement have been compiled by the management from:

- a) Audit of the Financial Statement of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared by the Company in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and as approved by board of the Company and Audited by Aggarwal & Rampal vide their Audit Report dated June 29, 2021, May 26, 2022 and May 29, 2023 respectively.

5. For the purpose of our examination, we have relied on:

- a) Auditors' Report issued by Aggarwal & Rampal on June 29, 2021, May 26, 2022 and May 29, 2023 for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively as referred in Paragraph 4(a) above;

As at and for the year ended March 31, 2023

- i. We draw attention to Audit Report issued dated May 29, 2023 on Financial Statements as at Mach 31, 2023 as referred in Paragraph 4(a) above which included the following Key Audit Matter:
 - a. The Company has revalued its Property, Plant & Equipment as on March 31, 2023 by adopting revaluation model, in accordance with Ind AS 16, based on valuation report of an independent registered valuer. Earlier these Property, Plant & Equipment were valued on cost model. The effect of revaluation has been recognized in Other Comprehensive Income and credited to Revaluation Surplus in Other Equity. Revaluation of PPE is considered to be a key Audit Matter due to the magnitude of the underlying amount and judgement involved in the assessment of fair value of these assets.
 - b. The Company has issued 1,77,50,000 warrants convertible into equivalent nos. of equity shares at an exercise price of Rs. 25 (including a premium of Rs. 15 per warrant) under preferential allotment. Further the company has allotted 45,00,000 equity shares of face value of Rs. 10 each fully paid up on preferential basis.
- ii. We draw attention to Audit Report issued dated May 29, 2023 on Financial Statements as at March 31, 2023 as referred in Paragraph 4(a) above which included following emphasis of matters:
 - c. Balances of M/s Alchemist Asset Reconstruction Company Limited as on March 31, 2023 are subject to confirmation and any variation would be subject to reconciliation and adjustment thereon and it may impact the true and fair view of the affairs.
 - d. The company and its director Including erstwhile directors and company secretary had received the show cause notice dated September 02, 2022 U/S 11(1),11(4), 11(4A), 11B(1), 11B(2) read with section 15HA and section 15HB of Securities Exchange Board of India Act 1992 and Rule 4 of Securities Exchange Board of India Rules 1995 subsequent to the investigation conducted by the Securities Exchange Board of India for the year ended March 2017 to March 2020. The company has filed its detailed submission on various dates in response to the said notice and no provision for any penalty or fines (if Imposed) has been accounted in the financials.
 - e. Balance of Debtors, Creditors & Advances as on March 31, 2023 are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.
 - f. The inventory has been physically verified by the management and it being a technical matter we are unable to comment upon the quantity, pricing and method being used for valuation of the Inventory and have relied upon the value and quantity certified by the management.

Office No. 113/10, I-Floor, Navyug Market, Ghaziabad-201001 (U.P.)

Phone : (0120) 4563379, 9810036941

E-mail ID : sahnibansalca@yahoo.co.in



- g. Refer Note No. 6 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2023 wherein the total outstanding debtors for the year ended March 31, 2023 amounting to Rs. 3990.17 Lakhs include Rs.33.32 lakhs which are due for more than six months.

Our opinion is not modified in respect of the above emphasis.

6. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditor for the respective years, we report that the Restated Financial Statement:

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications;
- There are items relating to emphasis of matter (refer paragraph 5b and 5c above), which do not require any adjustment to the Restated Financial Statement; and
- have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The Restated Financial Statement do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements/ audited Indian GAAP financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed Right issue of Equity Shares of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sahni Bansal and Associates
Chartered Accountants
Firm Registration Number: 517470C

Pardeep Surrinder Sahni
(Partner)

M.No. 093866

Place: Ghaziabad

Date: 12-12-2023

UDIN: 23093866BQS VVI 8395

Office No. 113/10, I-Floor, Navyug Market, Ghaziabad-201001 (U.P.)

Phone : (0120) 4563379, 9810036941

E-mail ID : sahnibansalca@yahoo.co.in

MAGNUM VENTURES LIMITED
(CIN : L21093DL1980PLC010492)

Registered office: HNO-MN01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi-110024

Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in

Restated Statement of Assets and Liabilities

All amounts in Lakhs, unless otherwise stated

Particulars	Annexure No.	Annexure 1		
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipments	6	91,022.09	18,856.56	19,898.09
(b) Intangible Assets	7	7.91	6.72	6.87
(c) Right of Use Assets	8	1,982.01	2,276.33	703.14
(d) Financial assets				
(i) Other financial assets	9	179.45	176.50	193.30
Total non-current assets		93,191.47	21,316.11	20,801.40
Current Assets				
(a) Inventories	10	5,684.98	3,291.31	2,471.81
(b) Financial assets				
(i) Trade receivables	11	3,990.17	5,553.69	6,076.84
(ii) Cash and cash equivalents	12	214.82	215.53	107.81
(iii) Bank Balance other than above	13	221.09	310.59	770.85
(iii) Loans	14	15.51	25.37	14.88
(iv) Other financial assets	15	8.94	34.66	92.10
(c) Other current assets	16	945.20	749.31	1,174.52
Total current assets		11,080.71	10,180.45	10,708.80
TOTAL ASSETS		104,272.18	31,496.56	31,510.19
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	4,210.19	3,760.19	3,760.19
(b) Other equity	18	54,183.74	(8,877.43)	(9,432.83)
Total equity		58,393.92	(5,117.24)	(5,672.64)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	9,976.83	18,072.67	23,921.59
(ii) Lease Liabilities	20	1,866.12	2,023.15	644.72
(b) Provisions	21	563.27	516.90	513.69
(c) Deferred tax liabilities (net)	22	20,124.40	1,881.26	1,913.66
Total non-current liabilities		32,530.61	22,493.97	26,993.67
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	6,635.00	9,287.98	5,526.30
(ii) Lease Liabilities	20	354.86	369.96	99.19
(iii) Trade Payables				
(1) Total outstanding dues of micro enterprises and small enterprises	21	126.33	192.99	267.29
(2) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,077.72	2,995.60	3,000.05
(iv) Other financial liabilities	24	2,168.00	461.80	562.62
(b) Other current liabilities	25	781.55	665.31	624.33
(c) Short Term Provisions	26	204.20	146.19	109.39
Total current liabilities		13,347.65	14,119.83	10,189.17
TOTAL EQUITY AND LIABILITIES		104,272.18	31,496.56	31,510.19

The accompanying notes are an integral part of the Restated Financial Statements.

The above Annexure should be read with the basis of preparation and significant accounting policies, Notes to the Restated Consolidated Financial Information appearing in Annexure 5.

As per our report of even date attached
For Sahni Bansal and Associates,
Chartered Accountants,
Firm Registration Number: 0514470C

Pardeep Surinder Sahni,
Partner
M.No. 098866
Place: Ghaziabad
Date: 12th Dec-2023

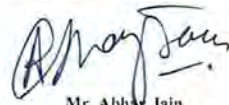
UDIN: 23093866BGSVVVE8395

For and on behalf of the Board of Director's
Magnum Ventures Limited



Mr. Pradeep Kumar Jain
Managing Director
DIN: 00024879

Ms Aaina Gupta
Company Secretary
M.No. A43233



Mr. Abha Jain
Managing Director
DIN: 01876385

Mr. Arjun Jain
Chief Financial Officer

MAGNUM VENTURES LIMITED
(CIN :L21093DL1980PLC010492)

Registered office: HNO-MN01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi-110024
Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in
Restated Statement of Profit and Loss

All amounts in Lakhs, unless otherwise stated
Annexure 2

Particulars	Annexure No.	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
INCOME				
Revenue from operations	27	46,001.44	32,830.11	17,659.94
Other income	28	548.44	330.02	581.04
I. Total Income		46,549.88	33,160.13	18,240.98
EXPENSES				
Cost of materials consumed	29	35,207.91	24,512.79	12,526.51
Changes in inventory	30	(1,432.48)	(387.24)	(210.10)
Employee benefits expense	31	4,106.43	3,163.75	1,964.63
Finance costs	32	400.31	240.55	161.93
Depreciation and amortisation expenses	33	1,675.17	1,507.69	1,669.09
Other expenses	34	3,925.30	3,334.46	2,108.51
II. Total expenses		43,882.63	32,372.00	18,220.56
III. Profit before tax and exceptional items (I-II)		2,667.25	788.13	20.42
IV. Exceptional item	35	(4,267.41)	320.06	-
V. Profit Before Tax (III-IV)		6,934.65	468.08	20.42
VI. Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax Asset/Liability	36	(151.45)	(46.69)	(57.63)
(3) Earlier years tax		-	-	(56.08)
VII. Profit for the year (V-VI)		7,086.10	514.76	134.13
Other comprehensive income				
(i) Remeasurement of gains/ (loss) on the defined benefit plans	35	6.38	54.92	36.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.61)	(14.28)	(9.60)
(iii) Revaluation surplus		73,075.03	-	-
(iv) Income tax relating to revaluation surplus		(18,392.99)	-	-
VIII. Total comprehensive income for the year		61,772.93	555.40	161.46
IX. Earning per equity share				
(i) Basic (INR)	37	18.78	1.37	0.36
(ii) Diluted (INR)		18.78	1.37	0.36

The accompanying notes are an integral part of the Restated Financial Statements.

The above Annexure should be read with the basis of preparation and significant accounting policies. Notes to the Restated Consolidated Financial Information appearing in Annexure 5.

As per our report of even date attached
For Sahni Bansal and Associates
Chartered Accountants
Firm Registration Number: 0514490C

Pardeep Surinder Sahni
Partner
M.No: 893866
Place: Ghaziabad
Date: 12th Dec-2023

UDIN: 230938661395VV28395

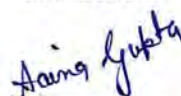
For and on behalf of the Board of Director's
Magnum Ventures Limited



Mr. Pradeep Kumar Jain
Managing Director
DIN: 00024879



Mr. Abhay Jain
Managing Director
DIN: 01876385



Ms Aaina Gupta
Company Secretary
M.No. A43233



Mr. Pooja Jain
Chief Financial Officer

MAGNUM VENTURES LIMITED

(CIN :L21093DL1980PLC010492)

Registered office: HNO-MN01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi-110024

Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in

Restated Statement of Cash Flows

All amounts in Lakhs, unless otherwise stated

Annexure 3

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities			
Profit before Tax	2,667.25	788.13	20.42
Depreciation	1,675.17	1,507.69	1,669.09
Finance costs	400.31	240.55	161.93
Interest income	(21.51)	(49.54)	(98.70)
Provision for Gratuity	0.54	0.29	-
Change in operating assets and liabilities			
(Increase)/Decrease in trade receivables	1,563.52	523.15	(929.10)
(Increase)/decrease in other current assets	(195.89)	425.21	(950.76)
(Increase)/decrease in inventory	(2,393.67)	(819.50)	(801.00)
(Increase)/decrease in financial assets	25.72	57.44	(71.84)
(Increase)/decrease in other non current financial assets	(2.95)	16.80	(28.76)
(Increase)/decrease in loans	9.86	(10.49)	644.88
Increase/(Decrease) in current borrowings	(2,652.98)	3,761.68	2,385.04
Increase/(Decrease) in lease liabilities	(15.10)	270.77	120.84
Increase/(Decrease) in financial liabilities	1,706.20	(100.82)	417.99
Increase/(Decrease) in provisions	104.37	40.01	(112.56)
Increase/(Decrease) in trade payables	15.46	(78.75)	1,122.73
Increase/(Decrease) in other current liabilities	116.24	40.98	(266.38)
Cash generated from operations	3,002.53	6,613.61	3,283.80
Effect of Extra Ordinary Item	(4,267.41)	320.06	-
Income taxes paid		-	56.08
Net cash inflow from operating activities	7,269.93	6,293.55	3,339.88
Cash flow from investing activities			
Sale/(Purchase) of Plant, Property and Equipment	(446.48)	(1,984.57)	(1,859.39)
Interest received	21.51	49.54	98.70
Net cash flow from investing activities	(424.97)	(1,935.04)	(1,760.69)
Cash flows from financing activities			
Proceeds from Issue of Shares	1,125.00	-	-
Prepayment of Preference Shares	(235.11)	-	-
Warrant	828.13	-	-
Finance Cost	(400.31)	(240.55)	(161.93)
Proceeds/ (repayment) from non current borrowings	(8,095.84)	(5,848.92)	(1,988.95)
Increase/(Decrease) in lease liabilities	(157.03)	1,378.42	644.72
Net cash inflow (outflow) from financing activities	(6,935.17)	(4,711.05)	(1,506.16)
Net increase (decrease) in cash and cash equivalents	(90.21)	(352.53)	73.03
Cash and cash equivalents at the beginning of the year	526.12	878.65	805.62
Cash and cash equivalents at end of the year (Note 8)	435.92	526.12	878.65

Note :-

1. The Restated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the Restated Financial Statements.

The above Annexure should be read with the basis of preparation and significant accounting policies, Notes to the Restated Consolidated Financial Information appearing in Annexure 5.

As per our report of even date attached
For Sahni Bansal and Associates
Chartered Accountants
Firm Registration Number: 0514470C



Pardeep Surinder Sahni
Partner
M.No: 093866
Place: Ghaziabad
Date: 12th Dec-2023

VDEN: 23093866B95VV28395

For and on behalf of the Board of Director's
Magnum Ventures Limited

[Signature] *[Signature]*

Mr. Pradeep Kumar
Managing Director
DIN: 00024879

Mr. Abhay Jain
Managing Director
DIN: 01876385

[Signature]
Ms Asaina Gupta
Company Secretary
M.No. A43233

[Signature]
Mr. Parv Jain
Chief Financial Officer

Restated Statement of Change in Equity

Annexure 4

(A) EQUITY SHARE CAPITAL

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Balance at the beginning of the period	3,760.19	3,760.19	3,760.19
Changes in Equity Share capital during the period	450.00	-	-
Balance at the end of the period	4,210.19	3,760.19	3,760.19

(B) OTHER EQUITY

Particulars	Securities Premium	General Reserve	Reserves and Surplus		Revaluation Reserve	Retained Earnings	Remeasurement of net defined benefit Plans	OCI Revaluation Surplus	Total Other Equity
			Reserves for Preference Share	Share Warrant					
Balance as at 1 April 2020	3,852.54	15.28	1,484.95	-	-	(14,942.15)	10.37	-	(9,579.02)
Profit/Loss for the year	-	-	-	-	-	134.13	-	-	134.13
Other Comprehensive Income for the year	-	-	-	-	-	-	27.33	-	27.33
Any other change to be specified(Ind As Adjustment)	-	(15.28)	-	-	-	-	-	-	(15.28)
Balance as at 31 March 2021	3,852.54	0.00	1,484.95	0.00	0.00	(14,808.02)	37.70	-	(9,432.83)
Balance as at 1 April 2021	3,852.54	-	1,484.95	-	-	(14,808.02)	37.70	-	(9,432.83)
Profit/Loss for the year	-	-	-	-	-	514.76	-	-	514.76
Other Comprehensive Income for the year	-	-	-	-	-	-	40.64	-	40.64
Balance as at 31 March 2022	3,852.54	0.00	1,484.95	0.00	0.00	(14,293.25)	78.34	-	(8,877.43)
Balance as at 1 April 2022	3,852.54	0.00	1,484.95	0.00	0.00	(14,293.25)	78.34	-	(8,877.43)
Profit/Loss for the year	-	-	-	-	-	7,086.10	-	-	7,086.10
Issue of Shares under warrants	675.00	-	-	-	-	-	-	-	675.00
Redemption of preference share	-	-	(214.89)	-	-	-	-	-	(214.89)
Amount received against issue of share warrant	-	-	-	828.13	-	-	-	-	828.13
Other Comprehensive Income for the year	-	-	-	-	-	-	4.77	-	4.77
Asset Revaluation (Net of Tax)	-	-	-	-	-	-	-	54,682.05	54,682.05
Any other change to be specified(Ind As Adjustment)	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	4,527.54	-	1,270.06	828.13	-	(7,207.15)	83.11	54,682.05	54,183.74

The accompanying notes are an integral part of the Restated Financial Statements.

The above Annexure should be read with the basis of preparation and significant accounting policies, Notes to the Restated Consolidated Financial Information appearing in Annexure 5.

As per our report of even date attached
For Sahni Bansal and Associates
Chartered Accountants
Firm Registration Number: 0514470C

Partner
M.No: 093866
Place: Ghaziabad
Date: 12th Dec-2023



For and on behalf of the Board of Director's
Magnum Ventures Limited

[Signature] *[Signature]*

Mr. Pradeep Kumar Jain
Managing Director
DIN: 00024879

Mr. Abhay Jain
Managing Director
DIN: 01876385

[Signature]

[Signature]

Ms Aaina Gupta
Company Secretary
M.No. A43233

Mr. Pradeep Jain
Chief Financial Officer

V DIN: 23093866B55VV22395

(a) STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

Annexure 6

Particulars	Land	Building & Site	Computer	Furniture & Fixture	Plant & Machinery	Vehicles	Electric Installation	Generator	Office Equipment	Fire Fighting Equipment	Drinking Plant	Turbine	Total
Year ended March 31, 2023													
GROSS CARRYING AMOUNT													
Opening Gross Carrying Amount	1,808.66	9,647.44	47.61	5,881.98	23,232.77	313.02	1,459.32	271.95	92.40	71.96	1,019.90	2,124.41	45,971.42
Additions	-	17.23	17.23	43.82	324.96	4.99	23.13	-	16.47	15.96	-	23.14	469.69
Adjustment due to revaluation	37,411.76	11,283.36	20.07	1,564.40	8,109.04	215.62	2,070.05	492.03	61.63	(53.03)	5,349.00	6,551.11	73,075.03
Disposals/Adjustment	-	-	-	-	-	18.72	-	-	-	-	-	-	18.72
Closing Gross Carrying Amount	39,220.42	20,930.80	84.91	7,490.20	31,666.76	514.91	3,552.49	763.98	170.49	34.89	6,368.91	8,698.66	119,497.43
ACCUMULATED DEPRECIATION													
Opening Accumulated Depreciation	-	3,715.67	39.04	5,442.93	13,203.88	266.42	1,261.14	240.27	71.91	25.50	968.91	1,878.29	27,114.86
Depreciation charged during the year	-	325.63	4.97	37.91	909.32	10.28	41.35	5.46	13.58	9.39	-	20.37	1,378.26
Assets include in a disposal group for sale Disposals/Adjustments	-	-	-	-	-	17.78	-	-	-	-	-	-	17.78
Closing Accumulated Depreciation	-	4,041.30	44.91	5,480.84	14,113.19	258.91	1,302.49	245.73	85.49	34.89	968.91	1,898.66	28,475.34
Net Carrying Amount	39,220.42	16,889.50	40.00	2,009.36	17,553.57	255.99	2,250.00	518.25	85.00	0.00	5,400.00	6,800.00	91,022.09
Year ended March 31, 2022													
GROSS CARRYING AMOUNT													
Opening Gross Carrying Amount	1,808.66	9,647.44	42.11	5,872.77	23,024.26	314.68	1,435.38	267.80	77.86	66.73	1,019.90	2,077.08	45,651.66
Additions	-	-	5.50	9.21	208.51	10.44	23.94	4.15	14.54	-	-	47.33	328.86
Assets include in a disposal group for sale Disposals/Adjustment	-	-	-	-	-	12.10	-	-	-	-	-	-	12.10
Closing Gross Carrying Amount	1,808.66	9,647.44	47.61	5,881.98	23,232.77	313.02	1,459.32	271.95	92.40	71.96	1,019.90	2,124.41	45,971.42
ACCUMULATED DEPRECIATION													
Opening Accumulated Depreciation	-	3,388.83	33.67	5,406.54	12,302.06	261.33	1,216.45	235.46	63.06	16.41	968.91	1,860.85	25,756.58
Depreciation charged during the year	-	326.84	6.28	36.39	901.81	13.57	44.68	4.81	8.85	9.10	-	17.45	1,369.78
Assets include in a disposal group for sale Disposals/Adjustments	-	-	-	-	-	11.49	-	-	-	-	-	-	11.49
Closing Accumulated Depreciation	-	3,715.67	39.94	5,442.93	13,203.88	266.42	1,261.14	240.27	71.91	25.50	968.91	1,878.29	27,114.86
Net Carrying Amount	1,808.66	5,931.77	7.67	439.05	10,028.89	46.60	198.18	31.68	20.49	46.46	51.00	246.12	18,856.56
Year ended March 31, 2021													
GROSS CARRYING AMOUNT													
Opening Gross Carrying Amount	1,808.66	9,647.44	35.13	5,872.77	22,143.54	294.23	1,388.99	267.80	73.90	39.41	1,019.90	1,983.19	44,574.96
Additions	-	-	6.98	-	880.72	20.45	46.39	-	1.96	27.32	-	93.89	1,079.70
Assets include in a disposal group for sale Disposals/Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	1,808.66	9,647.44	42.11	5,872.77	23,024.26	314.68	1,435.38	267.80	77.86	66.73	1,019.90	2,077.08	45,651.66
ACCUMULATED DEPRECIATION													
Opening Accumulated Depreciation	-	3,060.67	29.91	5,370.41	11,421.46	240.96	1,175.15	210.74	52.96	9.03	886.61	1,688.18	24,166.08
Depreciation charged during the year	-	328.16	3.75	36.13	880.61	23.38	41.30	4.73	10.10	7.38	82.30	172.66	1,590.50
Assets include in a disposal group for sale Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	3,388.83	33.67	5,406.54	12,302.06	264.33	1,216.45	235.46	63.06	16.41	968.91	1,860.85	25,756.58
Net Carrying Amount	1,808.66	6,258.60	8.44	466.24	10,722.19	50.34	218.92	32.34	14.80	50.32	51.00	216.24	19,898.09

Title Deeds of Immovable Property not held in the Name of Company.

Particular	Relevant Line Item in Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/director	Property held since which date	Reason for not being held in the name of company

Note: I, Above Information is presented on the basis of information and explanation provided by the management and as stated by Previous Auditor in his report.

There is no Proceeding initiated or Pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988

Manoj Joshi

P. D. Joshi

Jyoti Gupta

Ranjana



[Signature]

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 7

(b) STATEMENT OF INTANGIBLE ASSETS

Particulars	Computer Software	Total
Year ended March 31,2023		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	55.31	55.31
Additions	3.78	3.78
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	59.09	59.09
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	48.59	48.59
Depreciation charged during the year	2.59	2.59
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	51.18	51.18
Net Carrying Amount	7.91	7.91
Year ended March 31,2022		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	53.39	53.39
Additions	1.92	1.92
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	55.31	55.31
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	46.52	46.52
Depreciation charged during the year	2.07	2.07
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	48.59	48.59
Net Carrying Amount	6.72	6.72
Year ended March 31,2021		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	53.39	53.39
Additions	-	-
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	53.39	53.39
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	44.48	44.48
Depreciation charged during the year	2.04	2.04
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	46.52	46.52
Net Carrying Amount	6.87	6.87

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Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 8

(c) STATEMENT OF RIGHT TO USE ASSETS

Particulars	Right to Use Assets	Total
Year ended March 31,2023		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	2,488.72	2,488.72
Additions	-	-
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	2,488.72	2,488.72
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	212.39	212.39
Depreciation charged during the year	294.32	294.32
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	506.70	506.70
Net Carrying Amount	1,982.01	1,982.01
Year ended March 31,2022		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	779.69	779.69
Additions	1,709.03	1,709.03
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	2,488.72	2,488.72
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	76.55	76.55
Depreciation charged during the year	135.84	135.84
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	212.39	212.39
Net Carrying Amount	2,276.33	2,276.33
Year ended March 31,2021		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	-	-
Additions	779.69	779.69
Assets include in a disposal group for sale	-	-
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	779.69	779.69
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	-	-
Depreciation charged during the year	76.55	76.55
Assets include in a disposal group for sale	-	-
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	76.55	76.55
Net Carrying Amount	703.14	703.14

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Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 9

(d) FINANCIAL ASSETS

(i) STATEMENT OF OTHER FINANCIAL ASSETS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Security Deposits	179.45	176.50	193.30
Total	179.45	176.50	193.30

Annexure 10

(a) STATEMENT OF INVENTORIES

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Raw Material	1,937.85	1,524.87	1,197.74
Work-In-Progress	703.50	167.06	242.92
Finished Goods	1,747.04	851.00	387.89
Chemicals	428.16	269.53	162.74
Stores & Consumables	402.67	290.39	185.66
Hotel Stock	78.41	62.51	49.90
Fuel	387.35	125.96	244.95
(As Certified by the Management)			
Total	5,684.98	3,291.31	2,471.81








(b) FINANCIAL ASSETS

Annexure 11

(i) STATEMENT OF TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	3,990.17	5,500.83	6,076.84
Trade receivables which have significant increase in credit risk	-	52.86	-
Trade receivables - credit impaired	-	-	-
Doubtful	-	-	-
Total	3,990.17	5,553.69	6,076.84
Less : Loss Allowance	-	-	-
Total trade receivables	3,990.17	5,553.69	6,076.84
Further classified as:			
Receivable from related parties	-	-	-
Receivable from others	3,990.17	5,553.69	6,076.84
Total	3,990.17	5,553.69	6,076.84

Trade Receivable ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				More than 3 years	Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years		
2022-23							
(i) Undisputed Trade receivables — considered good	-	3,956.84	23.72	-	4.30	-	3,984.87
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	-	5.30	5.30
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

Particulars	Not due	Outstanding for following periods from due date of payment				More than 3 years	Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years		
2021-22							
(i) Undisputed Trade receivables — considered good	-	4,836.23	50.72	158.85	18.21	436.82	5,500.83
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	52.86	-	52.86
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

Particulars	Not due	Outstanding for following periods from due date of payment				More than 3 years	Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years		
2020-21							
(i) Undisputed Trade receivables — considered good	-	3,435.11	0.53	133.06	150.09	2,300.29	6,019.08
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered good	-	-	-	-	57.76	-	57.76
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-



Sanjay

Aaina Gupta

Amay Jain

Annexure 12

(ii) STATEMENT OF CASH AND CASH EQUIVALENTS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Balances with banks			
- in current accounts	186.07	174.73	89.19
Cash on hand	28.75	40.79	18.61
Total	214.82	215.53	107.81

Annexure 13

(iii) STATEMENT OF BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Bank deposit with original maturity of more than 3 month	221.09	310.59	770.85
Total	221.09	310.59	770.85

Annexure 14

(iv) STATEMENT OF LOANS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Labour, Staff Advance & Imprest	15.51	25.37	14.88
Total	15.51	25.37	14.88

Annexure 15

(v) STATEMENT OF OTHER FINANCIAL ASSETS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Interest Receivable on FDR	8.94	34.66	92.10
Total	8.94	34.66	92.10

Annexure 16

(c) STATEMENT OF OTHER CURRENT ASSETS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Advance to Supplier for Capital Goods & Others	562.31	594.35	862.15
Prepaid Expenses	27.84	39.09	37.60
Balance with Revenue Authorities and Others			
GST input available	216.75	24.52	235.52
TCS Receivable	13.33	10.15	5.42
TDS Receivable	99.22	44.84	22.92
Other Receivable	25.75	36.37	10.91
Total	945.20	749.31	1,174.52



Sanjay

Aaina Gupta

[Signature]

Sanjay Jain

EQUITY SHARE CAPITAL AND OTHER EQUITY

Annexure 17

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening Balance	390.00	3,900.00	390.00	3,900.00	390.00	3,900.00
Increased during the year	165.00	1,650.00	-	-	-	-
Total	555.00	5,550.00	390.00	3,900.00	390.00	3,900.00

Issued, subscribed and fully paid up Shares

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening Balance	376.02	3,760.19	376.02	3,760.19	376.02	3,760.19
Increased during the year	45.00	450.00	-	-	-	-
Total	421.02	4,210.19	376.02	3,760.19	376.02	3,760.19

Reconciliation of number of equity shares :

Face value per share (Rs.)	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Number of Equity Shares outstanding at the beginning of the reporting period	10.00	10.00	10.00	10.00	10.00	10.00
No. of Equity Shares issued during the year	45.00	450.00	-	-	-	-
Total	421.02	4,210.19	376.02	3,760.19	376.02	3,760.19

Terms and rights attached to equity shares :

The Company has only one class of shares referred to as the equity shares having face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting. No shares have been reserved for issue on option. No equity shares have been forfeited.

(ii) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
Praveen Kumar Jain	166.49	39.54%	166.49	44.28%	166.49	44.28%

(iii) Disclosure of Shareholding of Promoters

Name of the shareholder	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No of shares	% of Total Share	No of shares	% of Total Share	No of shares	% of Total Share
Praveen Kumar Jain	166.49	39.54%	166.49	44.28%	166.49	44.28%
Pardeep Kumar Jain	13.26	3.15%	2.01	0.53%	2.01	0.53%
Pranod Kumar Jain	13.25	3.15%	2.00	0.53%	2.00	0.53%
Salek Chand Jain	1.76	0.42%	1.76	0.47%	1.76	0.47%
Vinod Kumar Jain	4.57	1.09%	4.57	1.21%	4.57	1.21%
Pradeep Kumar Jain	13.26	3.15%	2.01	0.53%	2.01	0.53%

(iv) Aggregate number of shares issued for consideration other than cash

Aggregate number of shares issued for consideration other than cash	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of Total	No. of shares	% of Total	No. of shares	% of Total
	-	-	-	-	-	-



Aggregate number of shares issued for consideration other than cash

[Signatures]

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 18

Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
A. Securities Premium	4,527.54	3,852.54	3,852.54
B. General Reserve	-	-	-
C. Reserves for Preference Share	1,270.06	1,484.95	1,484.95
D. Surplus	(7,207.15)	(14,293.25)	(14,808.02)
E. OCI	83.11	78.34	37.70
F. Share Warrant	828.13	-	-
G. Revaluation Reserve	54,682.05	-	-
Closing Balance	54,183.74	(8,877.43)	(9,432.83)



Sanjay

Aaina Gupta

[Signature]

Amay Jain

(a) FINANCIAL LIABILITIES

Annexure 19

(i) Borrowings

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current	Current	Non Current
Secured						
From Bank/ Financial Institution						
- From Vijaya Bank	-	-	-	-	-	2,379.61
- From Alchemist Assets Reconstruction Company Limited	-	8,900.00	-	15,178.24	-	18,235.79
- Current Maturities of Loan Term Debts	6,635.00	-	9,287.98	-	5,526.30	-
Unsecured						
-From Related Parties and Others	-	-	-	1,663.11	-	2,151.64
-Debt Component of Pref share	-	1,076.83	-	1,231.32	-	1,154.54
Total	6,635.00	9,976.83	9,287.98	18,072.67	5,526.30	23,921.59

a. Nature of Security

From Alchemist Assets Reconstruction Company Limited

Oriental Bank of Commerce, Punjab National Bank, Syndicate Bank, Indian Overseas Bank and Allahabad Bank assigned their debts to M/s Alchemist Asset Reconstruction Company Limited.

Hence the balance of working capital limits of these banks has been merged with term loan balance.

The said loan is secured by way of first charge on fixed and current assets of Hotel and Paper division.

M/s Alchemist Asset Reconstruction Company Limited settled the debts with MVL and AARC sanctioned the settlement proposal on 31.03.2018

In addition to that there is no further liability towards interest and the company is in process of making repayment of the said loan accordingly

b. Preference Share

In accordance to Ind AS 109 read with Ind AS 32, redeemable preference shares are classified as financial liability. Therefore the treatment has been given in the financials in accordance with the aforesaid Ind AS.

Reconciliation of the Preference Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	25.00	2,500.00	25.00	2,500.00	25.00	2,500.00
Add: Share issued during the year	-	-	-	-	-	-
Less: Redemption of Preference	4.50	450.00	-	-	-	-
At the end of the year	20.50	2,050.00	25.00	2,500.00	25.00	2,500.00

Rights, preferences and restrictions attached to Preference shares

These Preference share are Redeemable, Non-Convertible and Non- Cumulative Preference shas of face value of Rs. 100/- on such terms and conditions including but not limited as to the rate of dividend, period and manner of of redemption as the board in its absolute discretion may determine for the purpose of augmenting the long term resource base of the Company.

Details of shareholders holding more than 5% Preference Shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
Praveen Jain	20.50	100.00%	25.00	100.00%	25.00	100.00%

Annexure 20

(ii) Lease Liabilities

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current	Current	Non Current
Lease Liability	354.86	1,866.12	369.96	2,023.15	99.19	644.72
Total	354.86	1,866.12	369.96	2,023.15	99.19	644.72



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Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 21

(b) PROVISIONS

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for Gratuity	439.66	407.07	399.69
Provision for Leave Encashment	123.61	109.83	114.00
Total	563.27	516.90	513.69

Annexure 22

(c) STATEMENT OF DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	20,377.72	2,084.02	2,086.27
DEFERRED TAX LIABILITY	20,377.72	2,084.02	2,086.27
Ind AS adjustment	(60.15)	(30.36)	(10.60)
Gratuity	(132.09)	(119.41)	(115.81)
Leave Encashment	(35.22)	(31.85)	(33.24)
Bonus	(25.86)	(21.15)	(12.95)
DEFERRED TAX ASSETS	(253.32)	(202.77)	(172.60)
Deferred Tax Liabilities/(Asset)	20,124.40	1,881.26	1,913.66



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STATEMENT OF TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises			
-Amount Due	122.96	189.67	261.96
-Interest on delayed payment	3.36	3.32	5.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,077.72	2,995.60	3,000.05
Total	3,204.05	3,188.59	3,267.34

Trade Payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2023						
(i) MSME		126.33	-	-	-	126.33
(ii) Others		2,964.82	36.02	44.13	32.75	3,077.72
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
(v) Unbilled dues shall bedisclosed separately		-	-	-	-	-
Total		3,091.15	36.02	44.13	32.75	3,204.05
As at 31 March, 2022						
(i) MSME		192.99	-	-	-	192.99
(ii) Others		2,602.65	65.05	67.86	15.89	2,751.45
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
(v) Unbilled dues shall bedisclosed separately		-	-	-	-	-
Total		2,795.64	65.05	67.86	15.89	2,944.44
As at 31 March, 2021						
(i) MSME		267.29	-	-	-	267.29
(ii) Others		2,681.57	125.64	136.35	56.49	3,000.05
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
(v) Unbilled dues shall bedisclosed separately		-	-	-	-	-
Total		2,948.86	125.64	136.35	56.49	3,267.34



[Handwritten signatures and names: Anand Gupta, Anand Gupta, Anand Gupta]

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 24

(iv) OTHER FINANCIAL LIABILITIES

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Cheque deposited but not cleared or issued but	1,758.40	155.31	229.23
Due To Employees	207.16	188.59	189.48
Deposits	2.20	1.20	0.20
Expense Payable	200.23	116.69	143.71
Total	2,168.00	461.80	562.62

Annexre 25

(b) OTHER CURRENT LIABILITES

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Other Payables	26.35	72.57	35.04
Gst payables	311.67	129.81	277.82
Advances from Customers	443.52	462.93	311.47
Total	781.55	665.31	624.33

Annexure 26

(c) SHORT TERM PROVISIONS

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
Provision for Gratuity	85.13	52.18	45.74
Provision for Leave Encashment	16.32	12.67	13.84
Bonus payable	102.75	81.34	49.81
Total	204.20	146.19	109.39



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Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 27

INCOME FROM OPERATIONS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of Goods- Paper	36,897.15	27,033.47	14,981.05
Sale of Services- Hotel	8,437.70	4,968.03	2,406.96
Other Operating Revenue	666.60	828.61	271.92
Total	46,001.44	32,830.11	17,659.94

Annexure 28

OTHER INCOME

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income			
- on FDR	15.06	41.18	95.97
- accrued on Security Deposit (EEUDD)	3.83	4.19	-
- Notional Interest Income-Ind AS	2.62	2.28	1.48
- on Income Tax Refund	-	1.89	1.25
Other Income			
-Claim on Loss Stock		-	394.61
-Misc Income (Including Short & Excess)	471.77	194.70	40.42
-Foreign Exchange Gain (Net)	55.17	85.79	47.31
Total	548.44	330.02	581.04



[Handwritten signatures and names in blue ink: Longari, Aaina Gupta, and Amay Jain]

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 29

COST OF MATERIAL CONSUMED

Particulars	For the year	For the year	For the year
	ended	ended	ended
	31 March 2023	31 March 2022	31 March 2021
Raw Material Consumed	24,258.50	17,435.47	8,150.62
Power & Fuel Consumed	5,949.86	3,788.19	2,555.11
Chemicals	2,124.63	1,371.21	825.60
Stores & Consumables	2,874.93	1,917.92	995.17
Total	35,207.91	24,512.79	12,526.51

Annexure 30

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS, STOCK IN TRADE

Particulars	For the year	For the year	For the year
	ended	ended	ended
	31 March 2023	31 March 2022	31 March 2021
Changes in Inventory of Finished Goods	(896.04)	(463.10)	(10.10)
Changes in Inventory of Work in Progress	(536.44)	75.86	(200.00)
Change in inventory	(1,432.48)	(387.24)	(210.10)

Annexure 31

EMPLOYEE BENEFIT EXPENSES

Particulars	For the year	For the year	For the year
	ended	ended	ended
	31 March 2023	31 March 2022	31 March 2021
Director's Remuneration	36.04	18.15	17.17
Salary to Staff	3,529.32	1,452.50	753.64
Wages	-	1,257.41	887.92
Bonus	101.80	81.07	49.85
Gratuity	111.80	100.09	95.57
Leave Encashment	52.78	40.90	37.31
Contribution to ESI	62.12	48.15	30.79
Contribution to EPF	211.45	163.54	90.92
Ex-gratia	0.54	0.29	-
Staff Welfare	0.59	1.64	1.45
Total employee benefits expense	4,106.43	3,163.75	1,964.63

Annexure 32

FINANCE COSTS

Particulars	For the year	For the year	For the year
	ended	ended	ended
	31 March 2023	31 March 2022	31 March 2021
Interest Expenses			
- on Bank Loan- Vijaya Bank (Refer Note No.18)	88.67	20.99	-
- on Financial Liability (Notional)	80.62	76.78	71.99
- Others	-	1.66	-
- on Lease liability	197.83	118.57	79.23
Other borrowing costs			
Bank Charges	33.19	22.56	10.72
Total Finance Costs	400.31	240.55	161.93



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Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

DEPRECIATION AND AMORTISATION EXPENSE

Annexure 33

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Depreciation on Tangible Assets	1,378.26	1,369.78	1,590.50
Amortisation of Intangible Assets	2.59	2.07	2.04
Depreciation on Right to Use Assets	294.32	135.84	76.55
Total depreciation and amortisation expense	1,675.17	1,507.69	1,669.09

OTHER EXPENSES

Annexure 34

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Advertisement Expenses	29.33	23.15	16.56
Amount written off	4.74	-	-
Annual Custody Fees	-	1.60	0.99
Auditor Remuneration (Including Expenses)	3.32	3.06	3.11
Banquet and Decoration Expense	215.84	132.94	70.82
Business Promotion	1.57	10.49	-
Commission	714.43	747.21	192.31
Conveyance Expense	2.25	1.28	0.59
Director's Sitting Fees	3.15	0.76	-
Electricity	701.28	518.12	277.07
Fees & Subscription (Including Detention/Handling Charge)	106.42	75.15	75.00
Fine and Penalty	1.97	14.69	1.41
Freight	572.26	416.03	319.17
Guest Supplies Expense	82.04	53.52	20.59
Insurance Charges	39.05	22.22	30.96
Internet, Computer & Telephone	32.57	24.33	23.07
Interest on TDS	0.03	0.04	0.62
Interest on GST	0.44	2.01	1.29
Interest on delayed payment to MSME	17.53	20.44	5.33
Ind AS adjustment for lease	-	1.44	4.52
Ind AS adjustment for security deposit	-	-	0.82
Kitchen Equipment & Fuel Expense	35.16	14.61	2.78
Labour Supply charges	56.68	7.50	5.15
Laundry & Cleaning	179.50	85.62	36.63
Legal & Professional	132.64	230.87	377.77
License fees	68.82	44.87	38.43
Medical expenses	25.31	22.26	14.97
Miscellaneous & General (Including Short & Excess)	1.71	16.21	6.03
Office expenses	89.06	2.47	4.00
Other hotel expenses	17.87	15.17	17.21
Upholstery and other expenses	4.65	12.17	4.38
Photocopy Expense	0.61	1.43	1.15
Postage	3.32	3.54	1.85
Printing & Stationery	37.65	22.71	15.03
Prior Period expenses	3.33	2.09	-
Rates & taxes	9.64	88.39	48.32
Rebate, Discount & Written off	5.60	1.40	0.87
Rent, Hire, Storage Charges	19.42	42.03	67.84
Repair & Maintenance Plant & Machinery & Others	398.34	333.69	325.44
ROC Expenses	12.51	0.10	0.50
Royalty Expenses	59.43	40.25	12.05
Sales Promotion	-	30.08	8.68
Bad Debts	-	126.89	-
Listing Fees	6.46	2.50	6.15
Travelling Expenses	4.76	3.94	1.65
Vehicle Expense	24.19	6.76	7.95
Waste Paper unloading expenses	193.16	82.95	58.31
Water Expense (Including Cess)	7.25	25.47	1.13
Total other expenses	3,925.30	3,334.46	2,108.51

(i) Details of payments to auditor's (excluding taxes)

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Payment to auditor's			
As auditor:			
Audit fee	3.32	3.06	3.11
In other capacities			
Professional fees	-	-	-
Re-imbursment of expenses	-	-	-
Total payments to auditors	3.32	3.06	3.11

EXCEPTIONAL ITEMS

Annexure 35

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2023	31 March 2022	31 March 2021
Profit (Loss) on Sale of Assets	(0.91)	(0.33)	-
Provision for BOB OTS	-	320.39	-
Gain arising from restructuring of AARC Loan	(4,266.49)	-	-
Total Finance Costs	(4,267.41)	320.06	-



Sanjay *Aarav Gupta* *May Jain*

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
(Amount in Lakhs unless otherwise stated)

Annexure 36

INCOME TAX EXPENSE

(a) Amounts recognised in the standalone statement of profit and loss :

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income tax expense			
<u>Current tax</u>			
Current tax on profits for the year	-	-	-
Total current tax expense	-	-	-
<u>Deferred tax</u>			
(Increase) in deferred tax assets	(151.45)	(46.69)	(57.63)
Total deferred tax expense	(151.45)	(46.69)	(57.63)
Tax expense	(151.45)	(46.69)	(57.63)
Tax expense for earlier years	-	-	(56.08)
Profit from continuing operations	2,667.25	788.13	20.42

Amounts recognised in other comprehensive income (OCI) :

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Remeasurement of defined benefit liability/(asset)	6.38	54.92	36.93
Total	6.38	54.92	36.93



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Aaina Gupta

May Jain

Magnum Ventures Limited
Annexures forming part of the Restated Financial Statements
 (Amount in Lakhs unless otherwise stated)

Annexure 37

EARNING PER SHARE (EPS)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
i Net profit after tax as per standalone statement of profit and loss attributable to equity shareholders	7,086.10	514.76	134.13
ii Weighted average number of equity shares used as denominator for calculating EPS (Nos.)	377.38	376.02	376.02
iii Basic and diluted earnings per share (in Rs.)	18.78	1.37	0.36
iv Face value per equity share (in Rs.)	10.00	10.00	10.00



Sanjay

Aaina Gupta

Maya Jain

[Signature]

MAGNUM VENTURES LIMITED
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Annexure 5

CORPORATE INFORMATION

Magnum Ventures Limited is engaged in the business of trading and manufacturing of paper since 1980. The existing manufacturing activities cover Newspaper, printing paper, grey and duplex boards. The Company also owns a Hotel named "Country Inn & Suits by Radisson" with Radisson group. In this regards, Company has entered into Territory License agreement with Country Inn & suites by Radisson Through country development& Management services private limited.

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

- a) The Restated Statement of Assets and Liabilities of the Company as on March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 and the annexure thereto (collectively, the "Restated Financial Statements" have been extracted by the management from the Audited Financial Statements of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.
- b) The financial statements which comprise the Balance sheet, the Statement of Profit and Loss, the Cash flow statement and the Statement of changes in Equity ("Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all periods.
- c) 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.
- d) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Amay Jain

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- e) The company is complying with the Indian Accounting-Standards (Ind-AS) issued by the ICAI, as per the requirements of the Companies Act, 2013.

2. Property Plant and Equipment

- a) Property, Plant and Equipment are stated at revalued amount determined by an independent registered valuer less accumulated depreciation and impairment, if any. The Company during the year has revalued its Property, Plant and Equipment by adopting the revaluation model, which till previous year were valued at cost model. Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are available for use, as intended by the management.

When an item of Property, Plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the asset is treated in one of the following ways;

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.

(b) The accumulated depreciation is eliminated against the gross carrying amount of the asset. Revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

- b) Expenditure of capital nature are capitalized at cost comprising of purchase price (*net of GST, rebates and discounts*) and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All Property, plant & Equipment's are carried at cost less depreciation. But when an asset is scraped 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. The Company capitalized Inward Freight of Capital Asset at the end of month.

3. Depreciation

The charge in respect of depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual

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Aaina Gupta

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values of the Company's assets are estimated by the management at the time the asset is acquired and reviewed at financial year end.

In Paper Division Depreciation on fixed assets is provided on the basis of Written down Value method except on plant & machinery, turbine & Deinking Plant on which depreciation is charged on SLM, however software is amortised in 5 years.

For Hotel Division Assets, depreciation has been provided on the straight-line method and at the rates in the manner prescribed in schedule II to the Companies Act. 2013,

Freight on Capital Asset installed and put to use has been capitalized at the end of month.

4. FOREIGN EXCHANGE TRANSACTIONS

- a) All the Monetary assets and liabilities in foreign currencies are translated in Indian rupees at the exchange rates prevailing at the Balance Sheet date as notified. The resultant gain / loss are accounted for in the Profit & Loss account.
- b) The outstanding foreign exchange transactions are stated at the prevailing exchange rate as on the date of balance sheet.
- c) Items of Income and expenditure relating to foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions.

5. INVENTORY VALUATION

- a) Stock of raw materials, stores & spares are valued at lower of purchase cost or net realizable value.
- b) W.I.P is valued including component of Waste Paper, Chemicals & Stores, Fuel and Other Manufacturing Overheads. Finished goods are valued at cost of production or net realisable value whichever is less. Cost for the purpose of valuation includes raw material consumption, manufacturing expenses and other appropriate overheads there on in accordance with IND AS-2 issued by ICAI.

6. REVENUE RECOGNITION

a) **Sales**

In Paper Division, Revenue is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in

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Senjari

Shaina Gupta

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exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognize revenue when the entity satisfies a performance obligation by transferring a goods or services (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

In Hotel Division, Rooms, Food and Beverage & Banquets: Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognized once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

b) **Interest Income**

Interest income is recognized as it accrues on a time proportion basis taking in to account the amount of investment and rate applicable.

c) **Misc. Income**

It includes sale of sludge, discarded stores and scrap and revenue is recognized on the basis of dispatches from factory gates and inclusive of GST.

d) **Exports Benefits**

Export benefits are recognized on an accrual basis and when there is a reasonable certainty of realization of such benefits / incentives.

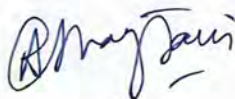
7. **IMPAIRMENT OF ASSETS**

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.

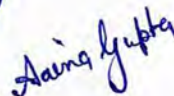
Management is of the view that no such assets exists in the Company.


8. **TAXATION**

Current tax











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Current tax is determined as the amount of tax payable in respect of the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income-tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

9. **EARNING PER SHARE**



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Ajaya Gupta

A May Jain

Rajeev

Basic EPS is calculated by dividing the net profit for the year attributable to Equity Shareholders 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 Earnings per Share, the Net Profit for the year attributable to Equity Shareholders 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.

10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

11. 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 use. All other borrowing costs are charged to revenue.

12. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a. **Defined Contribution Plan**

Employee benefits in the form of provident fund, superannuation, employees' state insurance fund and labour welfare fund are considered as defined contribution plans and the contributions are charged to the profit and loss during the year when the contributions to the respective funds are due and as and when services are rendered by employees

b. **Defined Benefit Plan**

Gratuity

In accordance with the Payment of Gratuity Act, 1972, as amended, the Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested



Sanjay *Ashish Gupta* *Ashish Jain*
J. J. J.

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employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund maintained with the Insurer.

Defined benefit costs are categorized as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

c. Short-term and other long-term employee benefits

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company fully contributes all ascertained liabilities to the fund maintained with the Insurer. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absence occur.



Longani Aising Gupta Arun Jain
Aising Gupta

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d. Salary and other short-term benefits

The salary and other short-term benefit i.e. Bonus etc. is being paid to the employees when it becomes due.

Actuarial assumptions in respect of provisions for gratuity and leave encashment at balance sheet date are as follows:

As per our report of even date attached

For Sahni Bansal and Associates

Chartered Accountants

Firm Registration Number: 0514470C

Pardeep Surrinder Sahni

Partner

M.No. 093866

Place: Ghaziabad

Date: 12.12.2023

UDIN : 23093866B95VV28395



For and on behalf of the Board of Director's

Magnum Ventures Limited

Mr. Pradeep Kumar Jain

Managing Director

DIN: 00024879

Ms Aaina Gupta

Company

Secretary

Mr. Abhay Jain

Managing Director

DIN: 01876385

Mr. Parv Jain

Chief Financial

Officer

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Annexure 39

(A) OTHER NOTES

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

Name of the Statute	Name of the Dues	Amount Involved (Rs.)	Assessment Year	Status/Forum where Dispute is Pending
Service Tax Law	SCN for Service Tax from Hotel	1,64,00,749/- +(Interest & penalty)	2010-2011	Order passed in company favour, but department filled appeal in Allahabad High Court

2. REMUNERATION PAID TO AUDITORS:

Particular	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
As Statutory Auditors	2,50,000	2,50,000	2,50,000
	GST 45,000	GST 45,000	GST 45,000
Tax Audit Fees	50,000	50,000	50,000
	GST 9,000	GST 9,000	GST 9,000

3. 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.


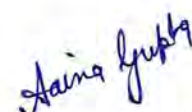
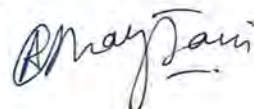

4. Remuneration paid to the Directors of the company is as under:

Particular	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Mr. Pradeep Kumar Jain	13,10,000	5,69,118	4,91,935
Mr. Abhey Jain	13,10,000	4,96,268	4,91,009
Mr. S. P. Chaturvedi	9,84,400	7,49,400	7,34,400

5. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated



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6. INCREASE IN AUTHORISED CAPITAL

During the year there is increase of Rs. 165,000,000 in authorized capital of the company as per the Annexure 17 of the restated financial statements.

7. TRADE RECEIVABLES

As on 31-03-2023, Disputed Trade Receivables amounts to Rs. 5.30 lakhs which are considered good.
As on 31-03-2022, Disputed Trade Receivables amounts to Rs. 52.86 lakhs which are considered good.
As on 31-03-2021, Trade receivable amounting to Rs 60.21 lakhs are under litigation out of which Rs. 2.45 lakhs has been received during the year.

8. Inventory

Additional information (Being technical matter and valued and certified by the management and auditors have relied upon the same

PAPER DIVISION

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




S. No	Particular	As on: 31-03-2023 Qty. in MT	As on: 31-03-2022 Qty in MT.	As on: 31-03-2021 Qty in MT.
(a)	Licensed Capacity	85,000	85,000	85,000
(b)	Installed Capacity	NA	N.A	NA
(c)	Production	69194	56828	41,052

II) Turnover, Closing & Opening Stock of Finished Goods

PAPER DIVISION

S. No	Particular	Qty(Kgs)			Amount In Rs.		
		As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
(a)	Opening Sto	13,61,985	10,28,551	11,81,524	8,50,99,651	3,87,89,479	3,81,33,939
(b)	Closing Stoc	34,25,972	13,61,985	10,28,551	17,47,03,881	8,50,99,651	3,87,89,479
(c)	Sale (Including Captive use)	6,71,29,859	5,67,05,323	4,12,04,973	3,70,37,96,544	2,70,33,47,340	1,49,81,05,016



MAGNUM VENTURES LIMITED
(CIN : L21093DL1980PLC010492)

Registered office: HNO-MN01, Hub and Oak, E-14, Lower Ground Floor, Defence Colony, New Delhi-110024
Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in

For 31-03-2023: Sale qty includes 1322426 kg captive use and 150707 kg sold from D-3.

For 31-03-2022: Sale qty includes 152206 kg wrapper of captive use and 265567 kg sold from D-3.

For 31-03-2021: Sale qty includes 36030 kg wrapper of captive use.

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

PAPER DIVISION

S. No	Particular	Qty (Kgs)			Amount In Rs.		
		As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
(a)	Raw Material	8,70,33,174	7,55,58,049	5,14,74,858	242,58,49,556	174,35,46,607	81,50,61,659
(b)	Chemical	-	-	-	21,24,54,039	13,71,20,891	8,25,60,376
(c)	Stores	-	-	-	11,89,23,670	9,13,04,256	5,66,31,329
(d)	Power & Fuel	-	-	-	59,49,86,046	37,88,19,434	25,55,11,236

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

Particular	Value (Rs)			In %		
	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Imported Raw Material	110,57,77,437	100,10,54,886	38,00,25,757	45.58	57.41	46.63
Indigenous Raw Material	132,00,72,119	74,24,91,721	43,50,35,902	54.42	42.59	53.37
Imported Stores & Chemical	2,26,39,152	72,67,889	0	6.83	3.18	0
Indigenous Stores & Chemical	30,87,38,557	22,11,57,258	13,91,91,705	93.17	96.82	100



Longani *Amin Gupta* *Amay Jain*
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IV) **Information in regard to Foreign Currency Transactions**

a) **C.I.F. VALUE OF IMPORTS:**

PAPER DIVISION

Particular	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Raw Material	95,69,28,787	75,37,42,037	40,82,82,866
Chemical & Consumable Spare Parts & Machines	3,43,98,729	1,79,43,530	74,27,785

a) **EXPENSES INCURRED IN FOREIGN CURRENCY:**

Particular	As on: 31-03-2023		As on: 31-03-2022		As on: 31-03-2021	
	Rs	FC	Rs.	FC	Rs.	FC
Paper Division	31,69,015	USD 41251.05	14,25,118	USD 19,077.99	NIL	NIL
Hotel Division	48,65,207	USD 49427 EURO 3039	12,21,113	USD 16762.02	NIL	NIL

C) **EARNING IN FOREIGN EXCHANGE CURRENCY:**

Particular	As on: 31-03-2023		As on: 31-03-2022		As on: 31-03-2021	
	Rs.	FC	Rs.	FC	Rs.	FC
Paper Division	9,52,54,052	USD 12,14,009	13,28,97,988	USD 17,79,657	94,27,083	USD 1,28,277.00
Hotel Division	69,07,282	USD 83340 EURO 290 AUSTRALIAN DOLLAR 260 CANADIAN DOLLAR 200	1,94,31,788	USD 2,65,822.66	83,79,334	USD 1,16,670.39

6. **RELATED PARTY TRANSACTION DISCLOSURE:**



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Amita Gupta
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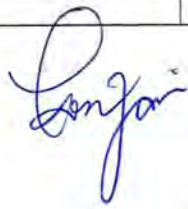
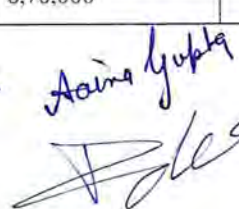
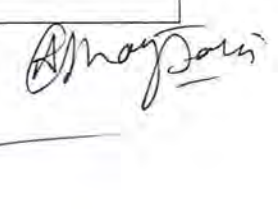
The related parties, as defined by Ind-AS 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, in respect of which disclosure have been made, have been identified on the basis of disclosure made by the managerial persons and taken on record by the board.

We have identified all the related parties and transactions with all such information provided to you as under complete in all respects:

Disclosure of Related Party transactions for the year ended March 31, 2023 (Pursuant to Regulation 23(9) of SEBI(LODR) Regulations,2015

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.23	-	-
2	Unsecured loan from Directors(Outstanding as on 31.03.23)		
	Mr. Abhey Jain	-	-
	Mr. Praveen Kumar Jain	-	-
	Mr. Pradeep Kumar Jain	-	-
	Unsecured loan taken from Directors(During the Period)		
	Mr. Praveen Kumar Jain	3,54,00,000	
	Mr. Abhey Jain	7,78,25,000	
	Mr. Pradeep Kumar Jain	10,18,57,000	
	Unsecured Repayment to Directors(During the Period)		
	Mr. Praveen Kumar Jain	18,93,70,446	
	Mr. Pradeep Kumar Jain	10,73,97,500	
	Mr. Abhey Jain	8,33,25,000	
3	Unsecured loan from Relatives (Outstanding as on 31.03.23)		
	Parv Jain	-	
	Rishab Jain	-	
	Ritesh Jain	-	
3	Remuneration of Directors		
	Mr. Pradeep Kumar Jain	13,10,000	-
	Mr. Abhey Jain	13,10,000	
	Mr. S. P. Chaturvedi	9,84,400	
4	Remuneration of Company Secretary		
	Aaina Gupta	6,70,000	



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5	Sitting fees to Independent Director		
	Manish Kumar	10,000	
	Jyoti	87,500	
	Jyoti Bansal	1,13,500	
	Aanchal Jain	71,500	
	Shalini Rahul	32,000	
6	Salary to Other Key Management Personnel & Relatives		
	Mr. Rishabh Jain	-	17,50,000
	Mr. Ritesh Jain	-	17,50,000
	Mr. Parv Jain	17,11,464	
	Mr. Shrenik Jain	-	16,20,000
	Mr. Ujjwal Jain	-	15,00,000
	Mrs. Rita Jain	-	15,00,000
	Mrs. Veena Jain	-	18,00,000
	Mrs. Mehak Jain	-	6,00,000
	Mrs. Asha Jain	-	15,00,000
	Mrs. Parul Jain	-	11,40,771
	Mrs. Parul Jain	-	4,80,000
	Mrs. Meenal Jain	-	15,00,000
	Mr. Akhil Jain	-	5,28,000
	Mrs. Saroj Jain		6,00,000
	Mrs. Priyanka Jain		12,00,000
7	Professional Consultancy		
	Mr. Pramod Kumar Jain		12,00,000
8	Purchase from Johri Mal Kamal Kishore		30,44,415.34
9	Rent		
	Sashi Jain		3,90,000
	Sumit Jain		3,90,000
	Sashank Jain		3,90,000
	Neeru Jain		3,90,000



Sanjani *Ashish Gupta*

[Signature]

Amay Jain

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Note: Directors of the company has given Interest Free Unsecured Loan to the Company.

Names of the related parties and descriptions of relationships

S.No	Relation	Name of the Person
1	Key Management Personnel	Mr. Pradeep Kumar Jain Mr. Praveen Kumar Jain Mr. Abhey Jain Mr. S. P. Chaturvedi Mrs. Aaina Gupta Company Secretary Mr. Parv Jain Ms. Jyoti Mr. Manish Kumar Ms. Jyoti Bansal Ms. Aanchal Jain Ms. Shalini Rahul
2	Relatives of Key Management Personnel	Brother of Director Mr. Parmod Kumar Jain Wife of Director Mrs. Rita Jain Mrs. Asha Jain Son of Director Mr. Rishabh Jain Mr. Ritesh Jain Mr. Ujjwal Jain Mr. Shrenik Jain Sister in law of Director Mrs. Veena Jain Daughter in law of Director Mrs. Meenal Jain Mrs. Mahek Jain Mrs. Parul Jain Sister of Director Mrs Saroj Jain Mrs. Sashi Jain Mrs Neeru jain Nephew of Director Sumit Jain Sashank Jain Akhil Jain



Sanjani Aaina Gupta
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Amay Jain
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MAGNUM VENTURES LIMITED
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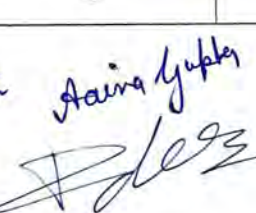
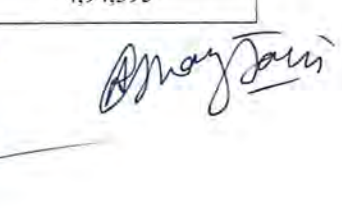
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		<p>Niece of Director Priyanka Jain</p> <p>Relatives Mrs.Parul Jain(Wife of Akhil Jain)</p> <p>Firm of Brother in Law of Director Johri Mal Kamal Kishore</p>
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Disclosure of Related Party transactions for the year ended March 31, 2022 (Pursuant to Regulation 23(9) of SEBI(LODR) Regulations,2015

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Unsecured Loan Outstanding as on 31.03.2022		-
	Mr. Abhey Jain	55,00,000	-
	Mr. Praveen Kumar Jain	15,39,70,446	-
	Mr. Pradeep Kumar Jain	55,40,500	-
2	Unsecured loan from Directors (during the year)		
	Mr. Abhey Jain	2,00,000	-
	Mr. Praveen Kumar Jain	4,90,50,000	-
	Mr. Pradeep Kumar Jain	-	-
3	Unsecured Loans from Relatives		
	Mr. Parv Jain		2,50,000
	Mr. Rishabh Jain		5,00,000
	Mr. Ritesh Jain		5,50,000
3	Remuneration of Directors		
	Mr. Pradeep Kumar Jain	5,69,118	
	Mr. Abhey Jain	4,96,268	-
	Mr. S.P.Chaturvedi	7,49,400	
4	Remuneration of Company Secretary		
	Mohit Kumar Goel(Resigned on 30/11/21)	3,48,629	
	Aina Gupta (Appointed on 01/12/21)	2,20,000	
5	Interest on Unsecured Loan		
	Mr. Abhey Jain	0	
	Mr. Pradeep Kumar Jain	0	
6	Salary to Key Management Personnel/ Relative of Key Management Personnel		
	Mr. Rishabh Jain	-	4,89,929
	Mr. Ritesh Jain	-	4,94,395



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	Mrs. Shashi Jain	-	
	Mr. Parv Jain	4,90,642	-
	Mr. Shrenik Jain	-	4,85,432
	Mr. Ujjwal Jain	-	4,94,395
	Mrs. Rita Jain	-	6,17,029
	Mrs. Veena Jain	-	4,86,658
	Mrs. Mehak Jain	-	4,47,987
	Mrs. Asha Jain	-	4,94,529
	Mrs. Parul Jain	-	4,90,131
	Mr. Paras Jain	-	4,41,292
	Mrs. Parul Jain	-	4,80,000
	Mrs. Meenal Jain	-	4,89,931
	Mr. Akhil Jain	-	5,28,000
	Mrs. Monika Jain	-	4,90,363
	Mrs. Saroj Jain	-	6,00,000
	Mrs. Priyanka Jain	-	12,00,000
7	Professional Consultancy		
	Mr. Pramod Kumar Jain	-	12,00,000
	Mr. Vinod Kumar Jain	-	7,00,000
8	Purchase		
	Johri Mal Kamal Kishore	-	8,38,267
9	Rent		
	Sashi Jain	-	7,80,000
	Sumit Jain	-	7,80,000
	Shashank Jain	-	7,80,000
	Neeru Jain	-	7,80,000

Note: Directors of the company has given Interest Free Unsecured Loan to the Company.

Names of the related parties and descriptions of relationships

S.No.	Particulars	Name of the Person	Relation
1	Key Management Personnel	Mr. Pradeep Kumar Jain	Director
		Mr. Praveen Kumar Jain	Director
		Mr. Abhey Jain	Director
		Mr. S. P. Chaturvedi	Director
		Ms. Jyoti	Independent Director
		Ms. Jyoti Bansal	Independent Director



Handwritten signatures and initials in blue ink, including 'Sanjiv', 'Aaina Gupta', and 'Maya Jain'.

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	Ms. Anchal Jain Mr. Manish Kumar Mr. Mohit Kumar Goel (Resigned on 30/10/21) Mrs. Aaina Gupta (Appointed on 01/12/21) Mr. Parv Jain	Independent Director Independent Director Company Secretary Company Secretary CFO
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S.No.	Particulars	Name & Relation of the Person
2	Relatives of Key Management Personnel	<p>Brother of Director Mr. Vinod Kumar Jain Mr. Pramod Kumar Jain</p> <p>Wife of Director Mrs. Rita Jain Mrs. Asha Jain Mrs. Monika Jain</p> <p>Sister in law of Director Mrs. Veena Jain</p> <p>Son of Director Mr. Rishabh Jain Mr. Ritesh Jain Mr. Shrenik Jain Mr. Ujjwal Jain</p> <p>Daughter in law of Director Mrs. Meenal Jain Mrs. Mehak Jain Mrs. Parul Jain</p> <p>Sister of Director Mrs. Saroj Jain Mrs. Sashi Jain Mrs. Neeru Jain</p> <p>Nephew of Director</p>



Sanjay Aaina Gupta
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		Mr. Akhil Jain Mr. Sumit Jain Mr. Sashank Jain Mr. Paras Jain Niece of Director Priyanka Jain Firm of Brother-in-Law of Director Johri Mal Kamal Kishore
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Disclosure of Related Party transactions for the year ended and March 31, 2021 (Pursuant to Regulation 23(9) of SEBI(LODR) Regulations,2015

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2021	21,51,64,404	-
2	Unsecured loan from Directors		
	Mr. Abhey Jain	55,00,000	-
	Mr. Praveen Kumar Jain	18,91,23,904	-
	Mr. Pradeep Kumar Jain	2,05,40,500	-
3	Remuneration of Directors		
	Mr. Pradeep Kumar Jain	4,91,935	-
	Mr. Abhey Jain	4,91,009	
	Mr. S. P. Chaturvedi	7,34,400	
4	Remuneration of Company Secretary		
	Mohit Kumar Goel	5,94,000	-
5	Salary to Other Key Management Personnel & Relatives		
	Mr. Rishabh Jain	-	4,91,935
	Mr. Ritesh Jain	-	4,91,935
	Mr. Parv Jain	4,92,258	
	Mr. Shrenik Jain	-	4,92,096
	Mr. Ujjwal Jain	-	5,51,616
	Mrs. Rita Jain	-	4,91,935
	Mrs. Veena Jain	-	4,91,786
	Mrs. Mehak Jain	-	4,91,935
	Mrs. Asha Jain	-	4,91,348
	Mrs. Parul Jain	-	4,91,935
	Mr. Paras Jain	-	4,92,096
	Mrs. Parul Jain	-	4,80,000
	Mrs. Meena Jain	-	4,91,935
	Mr. Akhil Jain	-	5,28,000
	Mrs. Monika Jain	-	4,91,935



Sanjani Arora Gupta
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	Mrs. Saroj Jain		6,00,000
6	Professional Consultancy		
	Mr. Vinod Kumar Jain	-	4,90,000
	Mr.Pramod Jain		4,90,000
7	Purchase from Johri Mal Kamal Kishore	-	460152
8	Rent		
	Sashi Jain		3,90,000
	SumitJain		3,90,000
	Sashank Jain		3,90,000
	Neeru Jain		3,90,000

Note: One of The Director (Mr. Praveen Kumar Jain) has given Interest Free Unsecured Loan to the Company.

Names of the related parties and descriptions of relationships

S.No	Relation	Name of the Person
1	Key Management Personnel	Mr. Pradeep Kumar Jain Mr. Praveen Kumar Jain Mr. Abhey Jain Mr. Subhash Chand Oswal Mr. S. P. Chaturvedi Mr. Mohit Kumar Goel (Company Secretary) Mr. Parv Jain Ms. Jyoti Mr. KrishanGopal Sharma
2	Relatives of Key Management Personnel	Brother of Director Mr. Vinod Kumar Jain Mr. Parmod Kumar Jain Wife of Director Mrs. Veena Jain Mrs. Rita Jain Mrs. Asha Jain Mrs. Monika Jain Son of Director Mr. Rishabh Jain Mr. Ritesh Jain Mr.Ujjwal Jain Mr. Shrenik Jain Mr. Paras Jain Daughter in law of Director Mrs. Meenal Jain Mrs. Mahek Jain Mrs. Parul Jain MrsNeerujain Sister of Director MrsSaroj Jain Mrs.Sashi Jain Nephew



Longan Arina Gupta
[Signature]

Amay Jain

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		SumitJain Sashank Jain Firm of Brother in Law of Director Johri Mal Kamal Kishore
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7. TRADE PAYABLES

The dues payable to Micro and Small Enterprises is based on the information available with the Company and takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

MSME

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2023, 31 March 2022 and 31 March 2021 has been made based on the information available with the Company and interest amounting to Rs. 3.36 Lakhs, Rs. 3.32 Lakhs and Rs.5.33 Lakhs is computed in regards to the delayed payment to be made over and above 45 days.

8. LEASE

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the Risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

9. PREFERENCE SHARES

In accordance to Ind AS 109 read with Ind AS 32, redeemable preference shares are classified as financial liability. Therefore, the treatment has been given in the financials in accordance with the aforesaid Ind AS.

Financial liabilities: Classification, subsequent measurement and gains and losses financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit or Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit or Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit or Loss.



Longani Aaina Gupta *Amay Jain*
[Signature]

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The company has redeemed 4.5 lakh preference share of face value of Rs. 100 during the year at par and the correspondence effect has been taken towards financial liability and its reserve.

10. IMPAIRMENT OF ASSETS

In accordance with IND AS 36 'Impairment of Assets' issued by Institute of Chartered Accountants of India, 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.

11. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Gratuity (Hotel Division)


2.1 (a): Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Present value of the obligation at the beginning of the period	2,24,63,849	2,20,03,611	1,87,69,725
Interest cost	16,28,629	15,95,262	13,13,881
Current service cost	35,34,815	32,23,666	33,72,507
Past Service Cost	0	0	0
Benefits paid (if any)	(29,56,370)	(23,93,705)	(4,21,242)
Actuarial (gain)/loss	3,35,346	(19,64,985)	(10,31,260)
Present value of the obligation at the end of the period	2,50,06,269	2,24,63,849	2,20,03,611

2.1 (b): Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(4,76,107)	(5,32,252)	Not Applicable








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Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in

Experience Adjustment (gain)/ loss for Plan liabilities	8,11,453	(14,32,733)	Not Applicable
Total amount recognized in other comprehensive Income	3,35,346	(19,64,985)	Not Applicable

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Present value of the obligation at the end of the period	2,50,06,269	2,24,63,849	2,20,03,611
Fair value of plan assets at end of period	0	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	2,50,06,269	2,24,63,849	2,20,03,611
Funded Status – Surplus/ (Deficit)	(2,50,06,269)	(2,24,63,849)	(2,20,03,611)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From:01-04-2020 To:31-03-2021
Interest cost	16,28,629	15,95,262	13,13,881
Current service cost	35,34,815	32,23,666	33,72,507
Past Service Cost	0	0	0
Expected return on plan asset	(0)	(0)	(0)
Expenses to be recognized in P&L	51,63,444	48,18,929	46,86,387

2.3 (b): Other comprehensive (income) / expenses (Re measurement)

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From:01-04-2020 To:31-03-2021
Cumulative unrecognized actuarial (gain)/loss opening, B/F	(34,72,397)	(15,07,412)	(4,76,152)
Actuarial (gain)/loss obligation	3,35,346	(19,64,985)	(10,31,260)



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Srinjan, Aaina Gupta, Anay Jain

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Actuarial (gain)/loss - plan assets	0	0	0
Total Actuarial (gain)/loss	3,35,346	(19,64,985)	(10,31,260)
Cumulative total actuarial (gain)/loss. C/F	(31,37,051)	(34,72,397)	(15,07,412)

2.3 (c): Net Interest Cost

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From:01-04-2020 To:31-03-2021
Interest cost on defined benefit obligation	16,28,629	15,95,262	13,13,881
Interest income on plan assets	0	0	0
Net interest cost (Income)	16,28,629	15,95,262	13,13,881

2.4: Experience adjustment:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From:01-04-2020 To:31-03-2021
Experience Adjustment (Gain) / loss for Plan liabilities	8,11,453	(14,32,733)	(10,31,260)
Experience Adjustment Gain / (loss) for Plan assets	0	0	0

3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Number of employees	546	524	476
Total monthly salary	85,47,267	76,61,031	68,80,962
Average Past Service(Years)	4.8	4.9	5.3
Average Future Service (yrs)	23.4	24.0	23.5
Average Age(Years)	34.6	34.0	34.5
Weighted average duration (based on discounted cash flows) in years	15	17	18



Sanjay

Amit Gupta

Mayank

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Average monthly salary	15,654	14,620	14,456
Expected Future Service taking into account Decrements (Years)	14	14	

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	7.50 % per annum	7.25 % per annum	7.25 % per annum
Salary Growth Rate	6.50 % per annum	6.50 % per annum	6.50 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.

3.3: Benefits valued:

Normal Retirement Age	58 Years	58 Years	58Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).	15/26*Salary*Past Service(yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00	2000000.00

3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013):

Period	As on: 31-03-2023	As on: 31-03-2022	Ason:31-03-2021
Current Liability (Short Term)*	28,71,041	11,12,458	12,18,989
Non-Current Liability (Long Term)	2,21,35,228	2,13,51,391	2,07,84,622
Total Liability	2,50,06,269	2,24,63,849	2,20,03,611

3.5: Effect of plan on entity's future cash flows

3.5 (a): Funding arrangements and funding policy

Not Applicable



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3.5 (b): Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	43,80,074	40,39,619	38,42,252
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3.5 (c): Maturity profile of defined benefit obligation: Weighted Average

Weighted average duration (based on discounted cash flows) in years	15	17	18
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3.5 (d): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

01 Apr 2022 to 31 Mar 2023	11,12,458
01 Apr 2023 to 31 Mar 2024	28,71,041
01 Apr 2024 to 31 Mar 2025	14,72,180
01 Apr 2025 to 31 Mar 2026	6,19,621
01 Apr 2026 to 31 Mar 2027	6,41,734
01 Apr 2027 to 31 Mar 2028	11,65,557
01 Apr 2028 Onwards	1,82,36,136



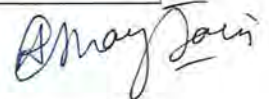

3.6: Projection for next period:

Best estimate for contribution during next Period	43,80,074	40,39,619	NA
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3.7: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2023
Defined Benefit Obligation (Base)	2,50,06,269 @ Salary Increase Rate : 6.5%, and discount rate :7.5%
Liability with x% increase in Discount Rate	2,29,38,284; x=1.00% [Change (8)%]
Liability with x% decrease in Discount Rate	2,74,17,285; x=1.00% [Change 10%]
Liability with x% increase in Salary Growth Rate	2,74,17,285; x=1.00% [Change 10%]
Liability with x% decrease in Salary Growth Rate	2,29,02,318; x=1.00% [Change (8)%]



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Liability with x% increase in Withdrawal Rate	2,51,19,460; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	2,48,70,613; x=1.00% [Change (1)%]

3.8: Reconciliation of liability in balance sheet

Period	From: 01-04-2022	From: 01-04-2021	From:01-04-2020
	To: 31-03-2023	To: 31-03-2022	To:31-03-2021
Opening gross defined benefit liability/ (asset)	2,24,63,849	2,20,03,611	1,87,69,725
Expenses to be recognized in P&L	51,63,444	48,18,929	46,86,387
OCI- Actuarial (gain)/ loss-Total current period	3,35,346	(19,64,985)	(10,31,260)
Benefits paid (if any)	(29,56,370)	(23,93,705)	(4,21,242)
Closing gross defined benefit liability/ (asset)	2,50,06,269	2,24,63,849	2,20,03,611

GRATUITY (PAPER DIVISION)

2.1(a):Table Showing Changes in Present Value of Obligations:

Period	From:01-04-2022	From:01-04-2021	From:01-04-2020
	To:31-03-2023	To:31-03-2022	To:31-03-2021
Present value of the obligation at the beginning of the period	2,34,61,738	2,25,40,329	2,04,82,602
Interest cost	17,00,976	16,34,174	14,33,782
Current service cost	43,15,214	35,56,350	34,36,900
Past Service Cost	0	0	0
Benefits paid (If any)	(11,28,340)	(19,16,244)	(10,59,531)
Actuarial(gain)/loss	(8,77,354)	(23,52,871)	(17,53,424)
Present value of the obligation at the end of the period	2,74,72,234	2,34,61,738	2,25,40,329

2.1 (b):Bifurcation of total Actuarial(gain)/loss on liabilities

Period	From:01-04-2022	From:01-04-2021	From:01-04-2020
	To:31-03-2023	To:31-03-2022	To:31-03-2021
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable	Not Applicable
Actuarial (gain)/ losses from	(3,44,413)	(3,73,738)	Not Applicable



Sanjay
Aaina Gupta
Prakash
Amay Jain

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changes in financial assumptions			
Experience Adjustment (gain)/loss for Plan liabilities	(5,32,941)	(18,83,084)	Not Applicable
Total amount recognized in other comprehensive Income	(8,77,354)	(22,56,822)	Not Applicable

2.2 :Key results(The amount to be recognized in the Balance Sheet):

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Present value of the obligation at the end of the period	2,74,72,234	2,34,61,738	2,25,40,329
Fair value of plan assets at end of period	0	0	0
Net liability/(asset)recognized in Balance Sheet and related analysis	2,74,72,234	2,34,61,738	2,25,40,329
Funded Status-Surplus/(Deficit)	(2,74,72,234)	(2,34,61,738)	(2,25,40,329)

2.3 (a):Expense recognized in the statement of Profit and Loss:

Period	From:01-04-2022	From:01-04-2021	From:01-04-2020
	To:31-03-2023	To:31-03-2022	To:31-03-2021
Interest cost	17,00,976	16,34,174	14,33,782
Current service cost	43,15,214	35,56,350	34,36,900
Past Service Cost	0	0	0
Expected return on plan asset	(0)	(0)	(0)
Expenses to be recognized in P&L	60,16,190	51,90,524	48,70,682

2.3 (b):Other comprehensive (income) /expenses (Remeasurement)

Period	From:01-04-2022	From:01-04-2021	From:01-04-2020
	To:31-03-2023	To:31-03-2022	To:31-03-2021
Cumulative unrecognized actuarial (gain) /loss opening. B/F	(41,06,295)	(17,53,424)	0
Actuarial (gain) /loss-obligation	(8,77,354)	(23,52,871)	(17,53,424)
Actuarial(gain)/loss-plan assets	0	0	0
Total Actuarial (gain)/loss	(8,77,354)	(23,52,871)	(17,53,424)
Cumulative total actuarial (gain) /loss. C/F	(49,83,649)	(41,06,295)	(17,53,424)

2.3 (c):Net Interest Cost







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Period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Interest cost on defined benefit obligation	17,00,976	16,34,174	14,33,782
Interest income on plan assets	0	0	0
Net interest cost(Income)	17,00,976	16,34,174	14,33,782

2.4 :Experience adjustment:

Period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Experience Adjustment (Gain) /loss for Plan liabilities	(5,32,941)	(19,79,133)	NA
Experience Adjustment Gain /(loss)for Plan assets	0	0	NA

3.1 :Summary of membership data at the date of valuation and statistics based thereon:

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Number of employees	870	794	708
Total monthly salary	1,23,46,073	1,06,21,356	89,99,468
Average Past Service(Years)	4.1	4.0	4.6
Average Future Service(yrs)	20.8	20.8	20.5
Average Age(Years)	37.2	37.2	37.5
Weighted average duration (based on discounted cash flows) in years	11	11	12
Average monthly salary	14,191	13,377	12,711
Expected Future Service taking in to account Decrements(Years)	13	13	13

3.2 :Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	7.50 % per annum	7.25 % per annum	7.00%per annum
Salary Growth Rate	5.25 % per annum	5.25 % per annum	5.25%per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.	5.00%p.a.

3.3 :Benefits valued:



Longani *Amit Gupta* *Mayank*
T. J. Singh

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Normal Retirement Age	58 Years	58 Years	58Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service	5Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).	15/26*Salary*Past Service(yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00	2000000.00

3.4 : Current Liability (*Expected payout in next year as per schedule II of the Companies Act, 2013):

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Current Liability (Short Term)*	56,41,710	41,05,709	33,55,498
Non-Current Liability (Long Term)	2,18,30,524	1,93,56,029	1,91,84,831
Total Liability	2,74,72,234	2,34,61,738	2,25,40,329

3.5 : Effect of plan on entity's future cash flows

3.5(a): Funding arrangements and funding policy

Not Applicable

3.5(b): Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	58,11,559	50,68,416	45,33,374
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3.5(c): Maturity profile of defined benefit obligation: Weighted Average

Weighted average duration (based on discounted cash flows) in years	11	11	12
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3.5 (d): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

01 Apr 2022 to 31 Mar 2023	56,41,695
01 Apr 2023 to 31 Mar 2024	21,82,447
01 Apr 2024 to 31 Mar 2025	18,32,856
01 Apr 2025 to 31 Mar 2026	10,23,367
01 Apr 2026 to 31 Mar 2027	11,96,255
01 Apr 2027 Onwards	1,55,95,614



Sanjay Gupta
Pradeep
Pradeep

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3.6 :Projection for next period:

Best estimate for contribution during next Period	58,11,559	50,68,416	NA
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3.7 : Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	Ason:31-03-2023
Defined Benefit Obligation (Base)	2,74,72,234 @ Salary Increase Rate : 5.25%, and discount rate :7.5%
Liability with x% increase in Discount Rate	2,58,54,676; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	2,93,12,466; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	2,93,35,470; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	2,58,07,564; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	2,76,09,613; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	2,73,01,892; x=1.00% [Change (1)%]

3.8 :Reconciliation of liability in balance sheet

Period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Opening gross defined benefit liability/ (asset)	2,34,61,738	2,25,40,329	2,04,82,602
Expenses to be recognized in P&L	60,16,190	51,90,524	48,70,682
OCI-Actuarial(gain)/loss-Total current period	(8,77,354)	(23,52,871)	(17,53,424)
Benefits paid (if any)	(11,28,340)	(19,16,244)	(10,59,531)
Closing gross defined benefit liability/ (asset)	2,74,72,234	2,34,61,738	2,25,40,329

4.1 In preparing this report we have heavily relied on the completeness and accuracy of the information, data and assumptions provided to us orally and in writing by or on behalf of the Company and its advisors. We have not completed any detailed validation checks/investigation on the information, data and assumptions provided, however preliminary broad consistency is viewed in respect of data. As compared to previous valuation






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assumptions, changes, if any, may be due to change in yield to government bonds/change in entity's long term views for future.

4.2 This report is based on going concern basis and as per requirements of Accounting Standard mentioned above and its application to the Plan. These results should not be used for any other purpose. In particular, this Report does not constitute a formal funding actuarial valuation of the Plan and does not present any recommendation of contributions or funding levels and hence results will not hold good incase company is closed or mass attrition. This report is provided solely for the company use and for the specific purposes indicated above. Except where I expressly agree in writing, it should not be disclosed or provided to any third party. In the absence of such consent and an express assumption no responsibility what so ever is accepted by me for any consequences arising from any third party relying on this report or any advice relating to its contents. In any case, irrespective of vendor agreement etc. liability of undersigned towards entity or anyone is strictly limited to the billed amount for this report. The Company may provide copy of this Report to its auditors along with rules of the plan, but I make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the company or its auditors in this regard. The company should draw the provisions of this paragraph to the attention of its auditors.

5.1 **Principal assumptions** are discount rate and salary increase. The discount rate is based upon the yield on govt bonds and the salary increase should take account inflation, seniority, promotion and other relevant factors. However, no explicit allowance is used for disability. As per Accounting Standard, selection of appropriate assumption is responsibility of the entity. Though entity has been advised on the suitability wherever applicable, the report is based on assumptions finalized by the entity (after considering long term view entity might have considered these assumptions prudent).

Risk Factors: Other assumptions would have produced different results e.g. a decrease in discount rate or an increase in salary inflation will lead to an increase in reported liability as per table of sensitivity analysis. Similarly change in attrition rates will also impact the liability. Funded plan carries usual investment risks including asset liability mismatch which will impact net liability/expenses and OCI if any.

5.2 **Mortality** is used as per Published rates under Indian Assured Lives Mortality (2012-2014) table. Rates at specimen ages are tabulated below:

Age(Years)	Rates	Age(Years)	Rates	Age(Years)	Rates
20	0.000924	35	0.001202	50	0.004436
25	0.000931	40	0.001680	55	0.007513
30	0.000977	45	0.002579	60	0.011162



Longani
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6. Projected Unit Credit (PUC) Method: is used to assess the plan liabilities, including those related to death-in-service and incapacity benefits. Under this method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plans accrual formula and service as of the beginning or end of the year, but using final compensation, projected to the age at which the employee is assumed to exit. The plan liability is actuarial present value of the projected accrued benefit as on date of valuation.

GLOSSARY:

Actuarial Gain or Loss	From one plan year to the next, if the experience of the plan differs from that anticipated using the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the plan assets earned 12% for the year while the assumed rate of returned in the valuation was 8%. Other causes of actuarial gain so losses would include changes in actuarial assumptions and /or demographic changes in the population profile.
Balance Sheet Asset/ (Liability)	The sponsor's balance sheet asset/ (liability) entry, the net recognized amount, is the sum of the cumulative excess of contributions to the plan over net annual expense and other plan-related charges to in come due either to business combination or accelerated recognition pursuant to IAS19. The difference between this account and the funded status is the unrecognized net loss/(gain) unvested prior service costs [and net transition obligation.]
Funded Status	This is the excess /(shortfall) of the fair value of plan assets over the plan liability.
Plan Liability	This quantity is discounted present value of all benefits attributed by the plan's benefit formula to service rendered prior to the measurement date. It is measured using an assumption as to future pay levels.
Service Cost	This is the discounted present value of benefits attributed by the plan's benefit formula to services rendered by employees during the accounting period. It is measured using an assumption as to future pay levels.
Interest Cost	The increase in the plan liability over the accounting period due to interest (the time value of money).
Expected Return on Assets	The expected return on plan assets over the accounting period, based on an assumed rate of return..
Net Periodic Benefit Cost	This is the profit and loss charge for the accounting period, and comprises the sum of the service and interest costs less the expected return on assets, plus allowance for amortization of any net liabilities not recognized in the balance sheet.



Sanjay *Aarav Gupta* *Anay Jain*
[Signature]

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LEAVE ENCASHMENT (PAPER DIVISION)

2.1 (a): Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2022 To: 31-03-2023	From: 01-04-2020 To: 31-03-2021
Present value of the obligation at the beginning of the period	42,24,002	38,35,994	26,65,633
Interest cost	3,06,240	78,110	1,86,594
Current service cost	19,28,302	1,97,687	10,09,824
Benefits paid (if any)	(3,38,587)	(21,733)	(2,33,031)
Actuarial (gain)/loss	(4,67,224)	(5,66,056)	2,06,974
Present value of the obligation at the end of the period	56,52,733	42,24,002	38,35,994

2.1 (b): Bifurcation of total Actuarial(gain)/loss on liabilities

Period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Actuarial gain/losses from changes in Demographics assumptions(mortality)	Not Applicable	Not Applicable	Not Applicable
Actuarial (gain)/loss	(65,288)	(64,398)	Not Applicable
Experience Adjustment (gain)/loss for Plan liabilities	(4,01,936)	(5,01,658)	Not Applicable
Total amount recognized in other comprehensive Income	(4,67,224)	(5,66,056)	Not Applicable

2.2 Key results(The amount to be recognized in the Balance Sheet):

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Present value of the obligation at the end of the period	56,52,733	42,24,002	38,35,994
Fair value of plan assets at end of	0	0	0



Sanjay

Aaina Gupta

Amay Jain

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period			
Net liability/ (asset) recognized in Balance Sheet and related analysis	56,52,733	42,24,002	38,35,994
Funded Status Surplus/(Deficit)	(56,52,733)	(42,24,002)	(38,35,994)

2.3 (a): Expense recognized in the statement of Profit and Loss:

period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Interest cost	3,06,240	2,78,110	1,86,594
Current service cost	19,28,302	11,97,687	10,09,824
Expected return on plan asset	(0)	(0)	(0)
Expenses to be recognized in P&L	22,34,542	14,75,797	11,96,418

2.3 (b):Other comprehensive (income)/expenses(Remeasurement)

period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Cumulative unrecognized actuarial (gain)/loss opening, B/F	(4,33,783)	2,06,974	0
Actuarial(gain)/loss-obligation	(4,67,224)	(6,40,757)	2,06,974
Actuarial(gain)/loss-plan assets	0	0	0
Total Actuarial(gain)/loss	(4,67,224)	(6,40,757)	2,06,974
Cumulative total actuarial (gain)/ loss, C/F	(9,01,007)	(4,33,783)	2,06,974

2.4 :Experience adjustment:

period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Experience Adjustment (Gain)/loss for Plan liabilities	(4,01,936)	(5,01,658)	NA
Experience Adjustment Gain/ (loss)for Plan assets	0	0	NA







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3.1 : Summary of member ship data at the date of valuation and statistics based thereon:

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Number of employees	870	794	708
Total monthly salary	1,23,46,073	1,06,21,356	89,99,468
Average Past Service(Years)	4.1	4.0	4.6
Average Future Service (yrs)	20.8	20.8	20.5
Average Age(Years)	37.2	37.2	37.5
Total Leave With Cap/Without Cap	10,458/10,530	7,895/7,895	7,788/7,855
Total CTC/ Availment Rate	2,46,92,146 / 3%	2,12,42,712 / 3%	1,79,98,936/3%
Weighted average duration (based on discounted cash flows) in years	14	13	14
Average monthly salary	14,191	13,377	12,711
Expected Future Service taking in to account Decrements (Years)	13	13	13

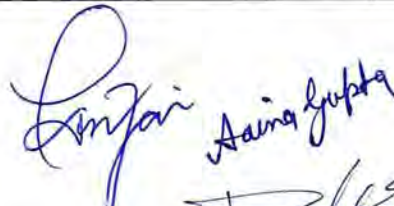


3.2 :Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	7.50 % per annum	7.25 % per annum	7.00%per annum
Salary Growth Rate	5.25 % per annum	5.25 % per annum	5.25%per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM2012-14
Withdrawal rate(Per Annum)	5.00% p.a.	5.00% p.a.	5.00%p.a.

3.3 :Benefits valued:

Normal Retirement Age	58 Years	58 Years	58 Years
Salary	As per rules of the company	As per rules of the company	As per rules of the company
Benefits on Normal Retirement	1/26 * Salary * Number of leaves.	1/26 * Salary * Number of leaves.	1/26*Salary*Number of leaves.
Benefit on early exit	As above, subject to rules of the company.	As above, subject to rules of the company.	As above, subject to rules of the company.
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	As above, subject to rules of the company.



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3.4 : Current Liability (*Expected pay out in next year as per schedule III of the Companies Act,2013):

Period	Ason:31-03-2023	Ason:31-03-2022	Ason:31-03-2021
Current Liability(Short Term)*	7,81,109	5,28,279	4,68,921
Non-Current Liability(Long Term)	48,71,624	36,95,723	33,67,073
Total Liability	56,52,733	42,24,002	38,35,994

3.5 : Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	Ason:31-03-2023
Defined Benefit Obligation(Base)	56,52,733
Liability with x% increase in Discount Rate	52,43,750; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	61,25,266; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	61,31,211; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	52,31,894; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	57,29,966; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	55,65,617; x=1.00% [Change (2)%]

3.6 :Reconciliation of liability in balance sheet

Period	From:01-04-2022 To:31-03-2023	From:01-04-2021 To:31-03-2022	From:01-04-2020 To:31-03-2021
Opening gross defined benefit liability/ (asset)	42,24,002	38,35,994	26,65,633
Expenses to be recognized in P&L	22,34,542	14,75,797	11,96,418
OCI-Actuarial(gain)/loss-Total current period	(4,67,224)	(6,40,757)	2,06,974
Benefits paid (if any)	(3,38,587)	(4,47,032)	(2,33,031)
Closing gross defined benefit liability/ (asset)	56,52,733	42,24,002	38,35,994

4.1 In preparing this report we have heavily relied on the completeness and accuracy of the information, data and assumptions provided to us orally and in writing by or on behalf of the Company and its advisors. We have







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not completed any detailed validation checks/investigation on the information, data and assumptions provided, however preliminary broad consistency is viewed in respect of data. As compared to previous valuation assumptions, changes, if any, may be due to change in yield to government bonds/change in entity's long term views for future.

4.2 This report is based on going concern basis and as per requirements of Accounting Standard mentioned above and its application to the Plan. These results should not be used for any other purpose. In particular, this Report does not constitute a formal funding actuarial valuation of the Plan and does not present any recommendation of contributions or funding levels and hence results will not hold good incase company is closed or mass attrition. This report is provided solely for the company use and for the specific purposes indicated above. Except where I expressly agree in writing, it should not be disclosed or provided to any third party. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by me for any consequences arising from any third party relying on this report or any advice relating to its contents. In any case, irrespective of vendor agreement etc. liability of under signed towards entity or anyone is strictly limited to the billed amount for this report. The Company may provide copy of this Report to its auditors along with rules of the plan, but I make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the company or its auditors in this regard. The company should draw the provisions of this paragraph to the attention of its auditors.


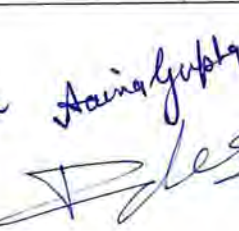
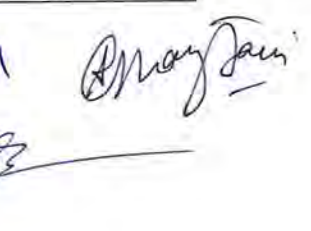
5.1 **Principal assumptions** are discount rate and salary increase. The discount rate is based upon the yield on govt bonds and the salary increase should take account inflation, seniority, promotion and other relevant factors. However no explicit allowance is used for disability. As per Accounting Standard, selection of appropriate assumption is responsibility of the entity. Though entity has been advised on the suitability wherever applicable, the report is based on assumptions finalized by the entity (after considering long term view entity might have considered these assumptions prudent).

Risk Factors: Other assumptions would have produced different results e.g. a decrease in discount rate or an increase in salary inflation will lead to an increase in reported liability as per table of sensitivity analysis. Similarly change in attrition rates will also impact the liability. Funded plan carries usual investment risks including asset liability mismatch which will impact net liability/expenses and OCI if any.

5.2 **Mortality** is used as per Published rates under Indian Assured Lives Mortality (2012-2014) table. Rate sat specimen ages are tabulated below:

Age(Years)	Rates	Age(Years)	Rates	Age(Years)	Rates
20	0.000924	35	0.001202	50	0.004436
25	0.000931	40	0.001680	55	0.007513
30	0.000977	45	0.002579	60	0.011162



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6. **Projected Unit Credit (PUC) Method:** is used to assess the plan liabilities, including those related to death-in-service and incapacity benefits. Under this method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plans accrual formula and service as of the beginning or end of the year, but using final compensation, projected to the age at which the employee is assumed to exit. The plan liability is actuarial present value of the projected accrued benefits as on date of valuation.

GLOSSARY:

Actuarial Gain or Loss	From one plan year to the next, if the experience of the plan differs from that anticipated using the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the plan assets earned 12% for the year while the assumed rate of return used in the valuation was 8%. Other causes of actuarial gains or losses would include changes in actuarial assumptions and/or demographic changes in the population profile.
Balance Sheet Asset/(Liability)	The sponsor's balance sheet asset/ (liability) entry, the net recognized amount, is the sum of the cumulative excess of contributions to the plan over net annual expense and other plan-related charges to in come due either to business combination or accelerated recognition pursuant to IAS19.The difference between this account and the funded status is the unrecognized net loss/ (gain) unvested prior service costs [and net transition obligation.]
Funded Status	This is the excess/(shortfall)of the fair value of plan assets over the plan liability.
Plan Liability	This quantity is discounted present value of all benefits attributed by the plan's benefit formula to service rendered prior to the measurement date. It is measured using an assumption as to future pay levels.
Service Cost	This is the discounted present value of benefits attributed by the plan's benefit formula to services rendered by employees during the accounting period. It is measured using an assumption as to future pay levels.
Interest Cost	The increase in the plan liability over the accounting period due to interest (the time value of money).
Expected Return on Assets	The expected return on plan assets over the accounting period, based on an assumed rate of return.
Net Periodic Benefit Cost	This is the profit and loss charge for the accounting period, and comprises the sum of the service and interest costs less the expected return on assets, plus allowance for amortization of any net liabilities not recognized in the balance sheet.








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Leave Encashment (Hotel Division)

2.1 (a): Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Present value of the obligation at the beginning of the period	80,25,853	89,47,503	84,61,236
Interest cost	5,81,874	6,48,694	5,92,287
Current service cost	24,61,258	19,65,779	19,41,999
Benefits paid (if any)	(30,09,763)	(30,02,798)	(9,32,421)
Actuarial (gain)/loss	3,71,332	(5,33,325)	(11,15,598)
Present value of the obligation at the end of the period	83,40,554	80,25,853	89,47,503


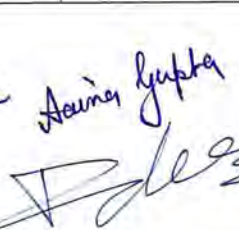

2.1 (b): Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(1,41,729)	(1,74,960)	Not Applicable
Experience Adjustment (gain)/ loss for Plan liabilities	5,13,061	(3,58,365)	Not Applicable
Total amount recognized in other comprehensive Income	3,71,332	(5,33,325)	Not Applicable

2.2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Present value of the obligation at the end of the period	83,40,554	80,25,853	89,47,503
Fair value of plan assets at end of period	0	0	0



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Net liability/(asset) recognized in Balance Sheet and related analysis	83,40,554	80,25,853	89,47,503
Funded Status - Surplus/ (Deficit)	(83,40,554)	(80,25,853)	(89,47,503)

2.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Interest cost	5,81,874	6,48,694	5,92,287
Current service cost	24,61,258	19,65,779	19,41,999
Expected return on plan asset	(0)	(0)	(0)
Expenses to be recognized in P&L	30,43,132	26,14,473	25,34,286

2.3 (b): Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Cumulative unrecognized actuarial (gain) /loss opening, B/F	0	0	(26,84,937)

2.4: Experience adjustment:

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Experience Adjustment (Gain) / loss for Plan liabilities	5,13,061	(3,58,365)	(11,15,598)
Experience Adjustment Gain / (loss) for Plan assets	0	0	0



Handwritten signatures: Sanjay, Aaina Gupta, Anay Jaisi, and a signature that appears to be 'Raj'.

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3.1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Number of employees	546	528	481
Total monthly salary	85,47,267	78,83,170	71,23,324
Average Past Service(Years)	4.8	4.9	5.4
Average Future Service (yrs)	23.4	23.8	23.3
Average Age(Years)	34.6	34.2	34.7
Total Leave With Cap/ Without Cap	16,128/16,128	15,692/15,692	17,693/17,693
Total CTC / Availment Rate	1,70,94,534/ 3%	1,57,66,340 / 3%	1,42,46,648 / 3%
Weighted average duration (based on discounted cash flows) in years	19	19	20
Average monthly salary	15,654	14,930	14,809
Expected Future Service taking into account Decrements (Years)	14	14	

3.2: Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	7.5 % per annum	7.25 % per annum	7.00 % per annum
Salary Growth Rate	6.50 % per annum	6.50 % per annum	6.50 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.

3.3: Benefits valued:

Normal Retirement Age	58 Years	58 Years	58 Years
Salary	As per rules of the company	As per rules of the company	As per rules of the company
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.
Benefit on early exit	As above, subject to rules of the company.	As above, subject to rules of the company.	As above, subject to rules of the company.



Sanjay

Aaina Gupta

Maya Jain

[Signature]

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Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	As above, subject to rules of the company.
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3.4: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013):

Period	As on: 31-03-2023	As on: 31-03-2022	As on: 31-03-2021
Current Liability (Short Term)*	8,50,691	7,38,607	9,14,608
Non-Current Liability (Long Term)	74,89,863	72,87,246	80,32,895
Total Liability	83,40,554	80,25,853	89,47,503

3.5: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 31-03-2023
Defined Benefit Obligation (Base)	83,40,554
Liability with x% increase in Discount Rate	75,68,207; x=1.00% [Change (10)%]
Liability with x% decrease in Discount Rate	92,55,937; x=1.00% [Change 11%]
Liability with x% increase in Salary Growth Rate	92,55,937; x=1.00% [Change 11%]
Liability with x% decrease in Salary Growth Rate	75,54,881; x=1.00% [Change (10)%]
Liability with x% increase in Withdrawal Rate	84,12,917; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	82,57,533; x=1.00% [Change (1)%]

3.6: Reconciliation of liability in balance sheet

Period	From: 01-04-2022 To: 31-03-2023	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Opening gross defined benefit liability/ (asset)	80,25,853	89,47,503	84,61,236
Expenses to be recognized in P&L	30,43,132	26,14,473	25,34,286
OCI- Actuarial (gain)/ loss-Total current period	3,71,332	(5,33,325)	(11,15,598)
Benefits paid (if any)	(30,99,763)	(30,02,798)	(9,32,421)



Sanjay
Maya Jain
Amit Gupta
Prakash

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(CIN :L21093DL1980PLC010492)

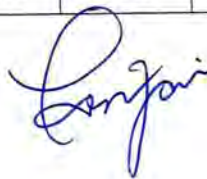
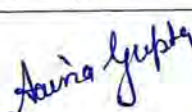
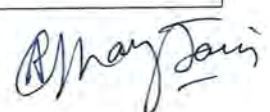

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Closing gross defined benefit liability/ (asset)	83,40,554	80,25,853	89,47,503
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12. Ratio's

S.No	Ratio	2022-23	2021-22	% Change	Comments
1	Current Ratio	0.83	0.72	15.14%	No Major Change
2	Debt Equity Ratio	0.28	-5.35	-105.32%	During the year under consideration, the company has increased its equity share capital and concomitantly reduced its debts
3	Debt Service Coverage Ratio	0.48	0.07	536.49%	During the year under consideration the company has reduced its debts, earned profit and got reduction in loan payable to lender.
4	Return on Equity	1.68	0.14	1129.44%	During the year under consideration, the company augment its top line also at the same time company got reduction in loan payable to lender that increased the Return of Equity. Further the Company got its assets revalued and book the revaluation reserve.
5	Inventory Turnover Ratio	10.25	11.39	-48.63%	During the year under consideration, the top line of the company got increased, therefore the company increased its inventory level to fulfil the needs of the customers and market.
6	Debtor Turnover Ratio	9.64	5.65	70.59%	During the year under consideration there is an increase in sales/revenue, which have an effect on increase in debtor turnover ratio.
7	Creditor Turnover Ratio	10.78	7.72	39.63%	During the year under consideration there is an increase in sales/revenue, which have an effect on increase in creditor turnover ratio.
8	Net Capital Turnover Ratio	- 20.29	-8.33	143.45%	During the year under consideration, the company had issued equity shares and partly paid its preference share capital. Further the Company got its assets revalued and book the revaluation reserve. Therefore, there is an increase in Net Capital Turnover Ratio.
9	Net Profit	0.15	0.02	882.6%	During the year under consideration, the company



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Phone: 91-11-42420015, E-mail: info@magnumventures.in Website: www.magnumventures.in

	Ratio				has incurred good profit also at the same time the lender reduced its debt recoverable from the company. Accordingly, there is an increase in net profit ratio.
10	Return on Capital Employed	0.08	0.04	97.82%	During the year under consideration, the company had issued equity shares and partly paid its preference share capital. Further the Company got its assets revalued and book the revaluation reserve. Therefore, there is an increase in Return on Capital Employed.
11	Return on Investment	0.00	0.00	0.00	

S.No	Ratio	2021-22	2020-21	% Change	Comments
1	Current Ratio	0.73	1.05	-30.78	Company is facing financial problem since last 2 years due to Covid-19, therefore the company was unable to pay principal instalments due to ARC. Further during the FY 2021-22 the Bank of Baroda sanction the OTS which is payable by October 22. Accordingly the overdue amount due to ARC and OTS amount payable to Bank of Baroda disclosed under current liability by virtue of which there is an increase in current liability as compared to previous year.
2	Debt Equity Ratio	-5.35	-5.19	3.00	No major change
3	Debt Service Coverage Ratio	0.07	.06	16.04	No major change
4	Return on Equity	0.14	0.04	283.77	During the year under consideration, the company has overcome the Covid-19 impact to some extent and accordingly there is an increase in turnover of Rs. 147.20 Crore (i.e. turnover in FY 2022-22 is Rs. 331.60 and turnover in FY 2020-21 was Rs. 184.4) as compared to previous year (i.e. 80% approx. increase in turnover). By virtue of which company was able to earn a net profit of Rs. 5.33 Crore in FY 2021-22 and Hence Return of



Sanjiv

Arun Gupta

Mayank

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					equity has been increased.
5	Inventory Turnover Ratio	11.39	8.53	33.63	No major change
6	Debtor Turnover Ratio	5.65	3.15	79.41	As discussed in Return of Equity ratio and Inventory turnover ratio there is an immense increase in the business. By virtue of which there is an increase in trade receivable and hence debtor turnover ratio increased.
7	Creditor Turnover Ratio	7.72	4.85	59.40	As discussed in Return of Equity ratio and Inventory turnover ratio there is an immense increase in the business. By virtue of which the company was required to maintain a good amount of stock and hence there is an increase in trade payable turnover ratio.
8	Net Capital Turnover Ratio	-8.33	33.99	-125.33	Company is facing financial problem since last 2 years due to Covid-19, therefore the company was unable to pay principal instalments due to ARC. Further during the FY 2021-22 the Bank of Baroda sanction the OTS which is payable by October 22. Accordingly the overdue amount due to ARC and OTS amount payable to Bank of Baroda disclosed under current liability by virtue of which there is an increase in current liability as compared to previous year and hence there is a variation in Net Capital Turnover Ratio.
9	Net Profit Ratio	0.02	0.01	106.44	During the year under consideration, the company has overcome the Covid-19 impact to some extent and accordingly there is an increase in turnover of Rs. 147.20 Crore (i.e. turnover in FY 2022-22 is Rs. 331.60 and turnover in FY 2020-21 was Rs. 184.4) as compared to previous year (i.e. 80% approx. increase in turnover). By virtue of which company was able to earn a net profit of Rs. 5.33 Crore in FY 2021-22 and Hence there is an increase in net profit ratio
10	Return on Capital Employed	0.04	0.01	373.38	Ratio of Return on capital employed is improved due to increase in earnings before interest and tax. This shows a good health of the company.
11	Return on Investment	0.00	0.00	0.00	



Sanjiv

Aaina Gupta

Maya Jain

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13. SEGMENT REPORTING

The Company is having two segment Paper division and Hotel Division. The segment reporting of the company has been prepared in accordance with IND AS – 108 '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

a) Segment wise revenue (Rs in Lacs)

Year	Paper Divison	Hotel Divison	Total
2021	15,806.00	2,435.00	18,241.00
2022	28,042.70	5,117.43	33,160.13
2023	37,675.22	8,865.34	46,540.56

b) Segment wise results(Rs in Lacs)

Year	Paper Divison	Hotel Divison	Total
2021	419.00	-237.00	182.00
2022	230.17	478.45	708.62
2023	4786.68	2548.29	7334.96

c) Segment wise Assets(Rs in Lacs)

Year	Paper Divison	Hotel Divison	Total
2021	31,598.00	-88.00	31,510.00
2022	42,915.05	-11,418.50	31,496.55
2023	71,056.28	33,215.90	1,04,272.19

d) Segment wise Liabilities (Rs in Lacs)

Year	Paper Divison	Hotel Divison	Total
2021	24,206.00	12,977.00	37,183.00
2022	35,446.29	1,167.51	36,613.80
2023	44,281.11	1,597.15	45,878.26

Geographical Segment

No Geographical segment reporting is required as per the IND AS 108 issued by the Institute of Chartered Accountants of India.



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Aaina Gupta

Maya Jain

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14. The debt of the company was assigned by the banks to M/s Alchemist Asset Restructuring Company Limited (AARC) in previous years which has been already reported in previous financial years. Accordingly, AARC is only secured lender and all the rights, title and interests of Assignors have vested in AARC in respect of the above financial assistances. However, AARC on the request of the company has revised restructuring proposal on 20.07.2022. Accordingly, company has reinstated its liability and shown the correspondence effect to exceptional item of Rs. 4266.49 lakhs. However, as per the terms and condition of the aforesaid letter in case of any default in repayment of the restructured liability the restructuring package will be deemed to be revoked and the entire outstanding dues of the company (to be calculated at the time of default (if any)) shall be payable.

15. **PLEDGING OF SHARES**

Presently the promoters of company have pledged the shares in favour of Lenders/AARC to the Company as Security to the tune of 56.99% of their shareholding in the Company.

16. 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 AARC (on behalf of 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 consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank)

Hotel Division

a	Term Loan	First charge on present/future blocks assets of Hotel division ranking pari-passu with other lenders of the project consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad 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 consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank). 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 consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank). First charge against these assets shall continue with working capital lender banks.



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17. Earning Per Share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particular	Year 2022-23	Year 2021-22	Year 2020-21
Profit/ (Loss) for the year	7086.10	514.76	134.13
Weighted Average number of shares	377.38	376.02	376.02
BEPS	18.78	1.37	0.36
DEPS	18.78	1.37	0.36

Warrant have a dilutive effect only when the average market price or ordinary shares during the period exceed the exercise price of the warrant.

Company has issued warrant at the prevailing market price at the date of issue, so it does not have any dilutive effect on the EPS.

18. Additional Regulatory Information

(i) Revaluation of Property, Plant and Equipment -

The Company has revalued its Property, Plant & Equipment's as on March 31, 2023 by adopting revaluation model, in accordance with Ind AS 16, as approved by the Board of Directors, based on valuation report of an independent registered valuer. Earlier these Property, Plant & Equipment's were valued on cost model. As a result of revaluation, value of Property, Plant & Equipment's has been increased by Rs. 730,75 Lakh. The said increase of ₹ 730,75 lakhs has been recognized in Other Comprehensive Income and credited to Revaluation Surplus in Other Equity. The related deferred tax liability of ₹ 18,393 lakhs has been recognized. If revaluation model was not adopted, net carrying value of Property, Plant & Equipment's as on March 31, 2023 would have been ₹ 17,947.06 lakhs. Such Revaluation surplus is not available for distribution to shareholders.

(ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2023, March 31st, 2022 and March 31st, 2021.

(iii) The Company has not been declared as willful defaulter by any bank or financial Institution or other lender during the year ended on March 31st, 2023 and March 31st, 2022. However, during the Financial Year 2020-21, the company had been declared as willful defaulter by Bank of Baroda (erstwhile Vijaya Bank) in Reserve Bank of India list of willful defaulters. the company was declared willful defaulter during September, 2020 and December, 2020. Later on, the Company had settled



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account with bank after Compromise and the name of company was removed from the RBI list of willful defaulters.

(iv)The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) The Company does not have any subsidiary as at March 31st, 2023, March 31st, 2022 and March 31st, 2021 and accordingly clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

(vi) Undisclosed Income

There are no transactions which have not been recorded in the books of accounts during the year ended March 31st, 2023, March 31st, 2022 and March 31st, 2021 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

There are no previously unrecorded income and related assets to be recorded in the books of account during the year ended March 31st, 2023, March 31st, 2022 and March 31st, 2021.

(vii) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31st, 2023, March 31st, 2022 and March 31st, 2021.

(viii) Utilisation of Borrowed funds and share premium:

(A) During the year ended as at March 31st, 2023, March 31st, 2022 and March 31st, 2021, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B).During the year ended and as at March 31st, 2023, March 31st, 2022 and March 31st, 2021, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :



Sanjay

Aaina Gupta

Amay Jain

[Signature]

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- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

As per our report of even date attached

For Sahni Bansal and Associates
Chartered Accountants

Firm Registration Number 0514176C

Pardeep Surinder Sahni
Partner
M.No. 093866
Place: Ghaziabad
Date: 12.12.2023

UDIN : 23093866B95VV28395



For and on behalf of the Board of Director's
Magnum Ventures Limited

Mr. Pradeep Kumar Jain
Managing Director
DIN: 00024879

Mr. Abhay Jain
Managing Director
DIN: 01876385

Ms Aaina Gupta
Company
Secretary

Mr. Parv Jain
Chief Financial
Officer

CAPITALISATION STATEMENT

(Amount in Rs. Lakhs)

Particulars	Pre-Issue as at March 31, 2023	Pre-Issue as at September 30, 2023	As adjusted for the Issue [#]
Shareholders' Funds			
Equity Share Capital	4,210.19	4,782.69	5,888.63
Reserves and Surplus	54,183.74	55,284.72	59,872.87
Total Shareholders' Funds (A)	58,393.92	60,067.41	65,761.50
Debt			
Long Term Borrowings	9,976.83	11,383.31	11,383.31
Short Term Borrowings	6,635.00	5,334.40	5,334.40
Total Debt (B)	16,611.83	16,717.71	16,717.71
Total (A+B)	75,005.75	76,785.12	82,479.21
Long-term debt/equity ratio	0.17	0.19	0.17
Total debt/equity ratio	0.28	0.28	0.25

#Considered Issue fully subscribed.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the “Restated Financial Statements” on page 128 of this Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read “Risk Factors” and “Forward Looking Statements” on pages 23 and 18 respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our restated financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Financial 2023, Financial 2022 and Financial 2021 included herein is based on the Restated Financial Statements, included in this Letter of Offer. For further information, see “Restatement Financial Statements” on page 128 of this Letter of Offer.

OVERVIEW OF OUR BUSINESS

We are a leading player in India’s hospitality sector and the environment-friendly segment of the paper manufacturing industry. Our Company is engaged in the business of manufacturing, trading and exporting paper for more than 25 years. Our Company also owns and operates the Country Inn and Suites by Carlson (now Radisson) Hotel in Sahibabad, which is the second largest hotel under the Country Inn and Suites by Carlson brand and also has the distinction of being the first of its kind vegetarian five star hotel in India. We believe we have developed a brand presence in both the industries, through a diversified product portfolio in our paper division and a brand-strengthening association with the Carlson Group of Hotels (now Radisson Group of Hotels) that has helped establish a global hospitality standard.

OUR BUSINESS STRATEGIES

Our Company intends to add additional manufacturing facilities to improve the quality and quantity of the products forming part of our Paper Division.

Our Company has four machine sections wherein we newsprint paper, paper boards, kraft paper, etc. Our Company has also recently started manufacturing cup stock natural shade paper, which is eco-friendly in nature and is a substitute to banned plastic items for packing purposes. Our Company proposes to improve the quality and quantity of our paper products for we intend to utilize a portion of the Net Proceeds to purchase and install latest equipment and machinery and undertake modification in the existing machinery, in our manufacturing unit. We believe adding new machinery and modification of the existing machinery will produce better quality of our products which will be easily salable and help us reduce our debtors.

Expansion through management contracts

We intend to expand our business operations by entering into operation and maintenance contracts for third party hotels, which we propose to obtain on a leasehold basis. We intend to operate and maintain boutique hotels by taking them on leasehold basis and selectively enter into such contracts in circumstances where it is economically and strategically prudent with the intent to further expand our operations in key geographies where we are not present. Since management agreements require lower upfront financial investment compared to development of new hotels on owned, leased or licensed land, we believe this strategy will enable us to reduce our capital expenditure, distribute fixed costs, further diversify our sources of revenue, efficiently utilize capital for achieving future growth and add more hotels in a shorter period of time, all of which may assist in achieving an increase in our EBITDA margins. Additionally, we believe that operating hotels will increase our experience in, and knowledge of, new markets and enhance our ability to negotiate better terms with vendors.

Diversifying our hotel operations by venturing into outdoor catering business

We intend to diversify our hotel operations by offering pure vegetarian catering services. We operate one of a kind vegetarian five star hotel in India. At our hotel property, we have curated six restaurants with mutually

exclusive cuisine options designed to offer customers a wide choice. Our vegetarian cuisines include Indian, Japanese, Chinese, Scandinavian, Mediterranean, Italian, Thai, Mexican and Mongolian. We intend to leverage the food and beverage operations and diversified cuisines by expanding our operations to external catering services. Such diversification will help us increase our brand presence and create an additional revenue stream for our Company.

Invest in biodegradable alternatives

There is a global movement to replace the use of single-use plastic due to its harmful environmental impact with recycled paper alternatives. As soon as the ban on single use plastic intensifies in India, there could be a structural shift in the demand towards biodegradable alternatives. We intend to invest in various biodegradable alternatives, such as kraft paper, cup stock natural shade, magnum bio pack with nano coat food grade and high strength kraft. Our Company has been engaged in the manufacture of paper from wastepaper, underlining its environment commitment. Our Company has positioned its products as ‘*use as much as you can*’ around the proposition that the products supplied will not be derived from trees. Our Company does not utilize any wood resource in the manufacture of paper; it has underlined its environment friendliness through the moderated consumption of finite resources (wood, water, power and fuels) on the one hand while supporting an eco-system of rag pickers, ensuring that the benefits of corporate profitability translate across its supply chain. Our Company proposes to add additional products as part of its biodegradable alternatives.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “*Restated Financial Information*” on page 128 of this Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter “*Restated Financial Information*” on page 128 of this Letter of Offer has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Examination Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

RESULTS OF OPERATIONS

The following table sets out selected data from the Restated Financial Statements for Financial Year 2023 and Financial Year 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	46001.44	98.82	32830.11	99.00
Other Income	548.44	1.18	330.02	1.00
Total Income	46549.88	100.00	33160.13	100.00
Expenses				
Cost of materials consumed	35207.91	75.63	24512.79	73.92
Changes in inventory	-1432.48	-3.08	-387.24	-1.17
Employee Benefit Expenses	4106.43	8.82	3163.75	9.54
Finance Cost	400.31	0.86	240.55	0.73
Other Expenses	3925.30	8.43	3334.46	10.06
Depreciation and amortization expense	1675.17	3.60	1507.69	4.55
Total Expenses	43882.63	94.27	32372.00	97.62
Profit / (Loss) before exceptional items and Tax	2667.25	5.73	788.13	2.38
Exceptional Items	-4267.41	-9.17	320.06	0.97

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Restated Profit /(Loss) before tax	6934.65	14.90	468.08	1.41
Tax Expense				
Current Tax				
Deferred Tax	-151.45	-0.33	-46.69	-0.14
Profit / (Loss) After Tax	7086.10	15.22	514.76	1.55
Other Comprehensive Income/(Loss)				
(i) Remeasurement of gains/ (loss) on the defined benefit plans	6.38	0.01	54.92	0.17
(ii) Income tax relating to items that will not be reclassified to profit or loss	-1.61	0.00	-14.28	-0.04
(iii) Revaluation surplus	73075.03	156.98	0.00	0.00
(iv) Income tax relating to revaluation surplus	-18392.99	-39.51	0.00	0.00
Total Comprehensive Income /(Loss)for the Year	61772.93	132.70	555.40	1.67
Total Comprehensive Income attributable for shareholders	7086.10	15.22	514.76	1.55
Earnings per Share (Basic) (in Rs.)	18.78		1.37	
Earnings per Share (Diluted) (in Rs)	18.78		1.37	

Total income

Revenue from operations

Our revenue from operations comprises of sale of goods and services and other operating revenue.

Other Income

Other income comprises of interest from income tax refund, bank deposits, security deposit, foreign exchange gain and other miscellaneous income.

Expenses

Our expenses consist of employee benefit expense, finance cost, depreciation and amortisation expenses and other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, gratuity, leave encashment, ex- gratia, contribution to provident and other funds and other staff welfare expenses.

Finance Costs

Finance Costs consists of interest expense of lease liability, financial liabilities on borrowings measured at amortised cost.

Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets owned by our company and on right to use.

Other expenses

Other expenses include advertisement expenses, Banquet and Decoration Expense, business Promotion expenses, commission, bank charges, Fine and Penalty, Freight, Guest Supplies Expense, Directors' sitting fees, Insurance Charges, Kitchen Equipment & Fuel Expense, Labour Supply charges, Laundry & Cleaning, License

fees, Medical expenses, Office expenses, Other hotel expenses, Upholstery and other expenses, Prior Period expenses, electricity charges, legal and professional fees, membership and subscription, miscellaneous expenses, payment to auditors, postage and courier, printing and stationery, rates and taxes, repairs and maintenance and travelling expenses, bad debts, Waste Paper unloading expenses, Water Expense (Including Cess), Vehicle Expense, Sales Promotion, Royalty Expenses, Rent, Hire, Storage Charges, Listing Fees, ROC Expenses

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations

Financial Year 2023 compared to Financial Year 2022

Total Revenue

The total revenue for Financial year ended March 31, 2023 increased from ₹ 33,160.13 Lakhs during the financial year ended March 31, 2022 to ₹ 46,549.88 Lakhs an increase of ₹ 13,389.75 Lakhs or 40.38%. This increase was due to an increase in revenue of sale of paper business by 36.47% and increase in sale of hotel business by 69.84% and a significant increase in Miscellaneous income.

Revenue from operations

Our revenue from operations increased from ₹ 32,830.11 Lakhs during the financial year ended March 31, 2022 to ₹ 46,001.44 Lakhs in financial year ended March 31, 2023, an increase of ₹ 13,171.33 Lakhs or 40.12%. This was mainly due to an increase in revenue of sale of paper business by 36.47% and increase in sale of hotel business by 69.84%.

Other income

Other income increase from ₹ 330.02 Lakhs to ₹ 548.44 Lakhs, an increase of ₹ 218.42 Lakh, This increase was due to increase in Miscellaneous income.

Expenses

Out total expenses increased from ₹ 32,372.00 Lakhs for the financial year ended March 31, 2022 to ₹ 43,882.63 Lakhs for the financial year ended March 31, 2023 which was an increase of ₹ 11,510.63 Lakhs or 35.56%. This was due to an increase in employees benefit expenses, finance costs, increase in depreciation and overall increase in other expenses.

Employee benefit expenses

Employee benefits expense for the year ended March 31 2023 was ₹ 4,106.43 Lakhs compared to ₹ 3,163.75 Lakhs for the year ended March 31, 2022. This was an increase of ₹ 942.68 Lakhs or 29.30% over the previous year. This was majorly due to an increase in salaries.

Finance Costs

Finance costs for the year ended March 31, 2023 was ₹ 400.31 Lakhs as compared to ₹ 240.55 Lakhs for the year ended March 31, 2022, an increase of ₹ 159.76 Lakhs or 66.41%. This was due to an increase in borrowings.

Cost of material consumed

Cost of material consumed for the year ended March 31, 2023 was ₹ 35,207.91 Lakhs as compared to ₹ 24,512.79 Lakhs for the year ended March 31, 2022, an increase of ₹ 10,695.12 Lakhs or 43.63% This was due to an increase in sales.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ended March 31, 2023 was ₹ 1,675.17 Lacs as compared to ₹ 1,507.59 Lakhs for the year ended March 31, 2022, an increase of ₹ 167.48 Lakhs. This was due to increase in right to use asset during the financial year ended March 31, 2023.

Other expenses

Other expenses for the year ended March 31, 2023 was ₹ 3,925.30 Lakhs as compared to ₹ 3,334.46 Lakhs for the year ended March 31, 2022, an increase of ₹ 590.84 Lakhs or 17.72 % over the previous year. This was majorly due to an increase in Waste Paper unloading expenses, Vehicle Expense, Repair & Maintenance Plant & Machinery & Others, Office expenses, Labour Supply charges, etc during the year ended March 31, 2023.

Profit/(Loss) before Tax after Exceptional Item

The profit before tax for the year ended March 31, 2023 was ₹ 6,934.65 Lakhs after adjusting 4,267.41 Lakhs loss of exceptional item as compared to ₹ 468.08 Lakhs after adjusting profit of exceptional item of Rs 320.06 lakhs for the year ended March 31, 2022, an increase of ₹ 6,466.58 Lakhs or 1381.52%. This was due to exceptional item and an increase in total revenue as compared to the total expenses of the previous year.

Taxation

There is change in deferred tax in the year ended March 31, 2023 as compared to year ended on March 31, 2022. It was (46.69) Lakhs in 2022 as compared to Rs. (151.45) in the year 2023.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the year ended March 31, 2023 of ₹ 7,086.10 Lacs as compared to ₹ 514.76 Lakhs for the financial year ended March 31, 2022.

The following table sets out selected data from the Restated Financial Statement for Financial Year 2022 and Financial Year 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2022		FY 2021	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Revenue from operations	32830.11	99.00	17659.94	96.81
Other Income	330.02	1.00	581.04	3.19
Total Income	33160.13	100.00	18240.98	100.00
Expenses				
Cost of materials consumed	24512.79	73.92	12526.51	68.67
Changes in inventory	-387.24	-1.17	-210.10	-1.15
Employee Benefit Expenses	3163.75	9.54	1964.63	10.77
Finance Cost	240.55	0.73	161.93	0.89
Other Expenses	3334.46	10.06	2108.51	11.56
Depreciation and amortization expense	1507.69	4.55	1669.09	9.15
Total Expenses	32372.00	97.62	18220.56	99.89
Profit / (Loss) before exceptional items and Tax	788.13	2.38	20.42	0.11
Exceptional Items	320.06	0.97	0.00	
Restated Profit /(Loss) before tax	468.08	1.41	20.42	0.11
Tax Expense				

Particulars	FY 2022		FY 2021	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Current Tax				
Deferred Tax	-46.69	-0.14	-57.63	-0.32
Prior Period Tax Adjustment	-	-	-56.08	-0.31
Profit / (Loss) After Tax	514.76	1.55	134.13	0.74
Other Comprehensive Income/(Loss)				
(i) Remeasurement of gains/ (loss) on the defined benefit plans	54.92	0.17	36.93	0.20
(ii) Income tax relating to items that will not be reclassified to profit or loss	-14.28	-0.04	-9.60	-0.05
Total Comprehensive Income /(Loss)for the Year	555.40	1.67	161.46	0.89
Total Comprehensive Income attributable for shareholders	514.76	1.55	134.13	0.74
Earnings per Share (Basic) (in Rs.)	1.37		0.36	
Earnings per Share (Diluted) (in Rs)	1.37		0.36	

Comparison of Historical Results of Operations

Financial Year 2022 compared to Financial Year 2021

Total Revenue

The total revenue for Financial year ended March 31, 2022 increased to ₹ 33,610.13 Lakhs or 81.79% of ₹18,240.98 Lakhs during the financial year ended March 31, 2021. This increase was due to an increase in revenue of sale of paper by 80.45% and increase in sale of hotel by 106.40% and other operating revenue by 204.72% as compared to previous year

Revenue from Operations

Our revenue from operations increased from ₹ 17,659.94 Lakhs during the financial year ended March 31, 2021 to ₹ 32,830.11 Lakhs in financial year ended March 31, 2022, an increase of ₹ 15,710.18 Lakhs or 85.90%. This increase was due to an increase in revenue of sale of paper by 80.45% and increase in sale of hotel by 106.40% and in other operating revenue during the financial year ended March 31, 2022 as compared to the previous year.

Other income

Other income decreased from ₹581.04 Lakhs to ₹ 330.02 Lakhs, an decreased of ₹ 251.02 Lakh. This decreased was due to claim on loss income in previous year.

Expenses

Out total expenses increased from ₹ 18,220.56 Lakhs for the financial year ended March 31, 2021 to ₹ 32,372.00 Lakhs for the financial year ended March 31, 2022 which was an increase of ₹ 14,151.44 Lakhs or 77.67% This was due to cost of material consumed , finance cost, employee benefit cost an increase in other expenses.

Employee benefit expenses

Employee benefits expense for the year ended March 31 2022 was ₹ 3163.75 Lakhs compared to ₹ 1964.63 Lakhs for the year ended March 31, 2021. This was an increase of ₹ 1,199.12 Lakhs or 61.04% over the previous year. This was majorly due to an increase in salaries, wages, contribution of fund.

Finance Costs

Finance costs for the year ended March 31, 2022 was ₹ 240.55 Lakhs as compared to ₹ 161.93 Lakhs for the year ended March 31, 2021, an increase of ₹ 78.62 Lakhs or 48.55% This was due to an increase in borrowings and lease liability.

Cost of material consumed

Cost of material consumed for the year **ended** March 31, 2022 was ₹ 24,512.79 Lakhs as compared to ₹ 12,526.51 Lakhs for the year ended March 31, 2021, an increase of ₹ 11,986.28 Lakhs or 95.68% This was due to an increase in sales.

Other expenses

Other expenses for the year ended March 31, 2022 was ₹ 3,334.46 Lakhs as compared to ₹ 2,108.51 Lakhs for the year ended March 31, 2021, a increase of ₹1,225.95 Lakhs or 58.14% over the previous year. This was majorly due to increase in bad debts, Water Expense (Including Cess), Commission, Banquet and Decoration Expense, Electricity in the year ended March 31, 2022.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2022 was ₹ 468.08 Lakhs after adjusting profit of exceptional item of ₹ 320.06 Lakhs as compared to a profit of ₹ 20.42 Lakhs for the year ended March 31, 2021, an increase of ₹ 447.66 Lakhs or 2,192.72%. This was due to an increase in total revenue as compared to the previous year.

Taxation

There is change in deferred tax in the year ended March 31, 2022 as compared to year ended on March 31, 2021. It was (57.63) Lakhs in 2021 as compared to Rs. (46.69) in the year 2022.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the year ended March 31, 2022 of ₹ 514.76 Lacs as compared to a profit of ₹ 134.13 Lakhs for the financial year ended March 31, 2021.

CASH FLOWS

The following table sets forth certain information relating to our consolidated cash flows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow from/ (used in) Operating Activities (A)	7269.93	6293.55	3339.88
Net Cash Flow used in Investing Activities (B)	-424.97	-1,935.04	-1760.69
Net Cash Flow used in Financing Activities (C)	-6935.17	-4711.05	-1506.16
Net increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	-90.21	-352.53	73.03
Cash and cash equivalents at the beginning of the year/period	526.12	878.65	805.02
Cash and cash equivalents at year/ period end	435.92	526.12	878.65

Cash generated from Operating Activities

Net cash used from operating activities for the year ended March 31, 2023 was ₹7,269.93 Lakhs as compared to the profit/(loss) before tax of ₹ 2667.25 Lakhs for the same period. This difference is primarily on account of exceptional item, depreciation, finance costs, Provision of gratuity, interest income, cash inflow from interest and cash outflow towards finance cost.

Net cash used in operating activities for the year ended March 31, 2022 was ₹ 6,293.55 Lakhs as compared to the profit/(loss) before tax of ₹ 788.13 Lakhs the same period. This difference is primarily on account of exceptional item, depreciation, finance costs, interest income, and adjustment for foreign exchange through profit or loss, cash inflow from interest and cash outflow towards finance cost.

Net cash used in operating activities for the year ended March 31, 2021 was ₹ 3,339.88 Lakhs as compared to the profit/(loss) before tax of ₹ 20.42 Lakhs the same period. This difference is primarily on account of depreciation, finance costs, interest income, and adjustment for foreign exchange through profit or loss, cash inflow from interest and cash outflow towards finance cost.

Net Cash used in Investing Activities

Net cash used in investing activities for the year ended March 31, 2023 was ₹ (424.97) Lakhs. This was on account of proceeds from Purchase/sale of of Plant, Property and Equipment and interest income.

Net cash generated in investing activities for the year ended March 31, 2022 was ₹ (1,935.04) Lakhs. This was on account of proceeds from Purchase/sale of of Plant, Property and Equipment and interest income.

Net cash generated in investing activities for the year ended March 31, 2021 was ₹ (1,760.69) Lakhs. This was on account of proceeds from Purchase/sale of of Plant, Property and Equipment and interest income.

Net Cash flow used in Financing Activities

Net cash flows generated from financing activities for the year ended March 31, 2023 was (6935.17) Lakhs. This was on account of Proceeds from Issue of Shares, Prepayment of Preference Shares loans, Warrant, Finance Cost, Proceeds/ (repayment) from non current borrowings, Increase/(Decrease) in lease liabilities in the same year.

Net cash flows generated from financing activities for the year ended March 31, 2022 was (4711.05) Lakhs. This was on account of Finance Cost, Proceeds/ (repayment) from non current borrowings, Increase/(Decrease) in lease liabilities in the same year.

Net cash flows generated from financing activities for the year ended March 31, 2021 was (1,506.16) Lakhs. This was on account of Finance Cost, Proceeds/ (repayment) from non current borrowings, Increase/(Decrease) in lease liabilities in the same year

Contingent Liabilities

We have no contingent liabilities except mentioned in the table below.

<i>(Amount in Rs. Lakhs)</i>				
S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
3.	Service Tax Law	164.01 /- +(Interest & penalty)	164.01/- +(Interest & penalty)	164.01/- +(Interest & penalty)
	DEPB Case		10.23/-(Plus Penalty)	10.23/-(Plus Penalty)
	Total	164.01/-	174.24/-	174.24/-

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see “*Restated Financial Information - Related Party Transactions*” on page 169 of this Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 23 and page 211 respectively of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 23 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 23 and 211 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths we will be able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” on page 97 of this Letter of Offer.

Total Turnover of Each Major Business Segment

We are operating in two business segment which is Paper and Hotel. Turnover of both the segments in all the reporting periods are as given in the below table: -

<i>(Amount in Rs. Lakhs)</i>			
Year ending on	Paper Divison	Hotel Divison	Total
March 31, 2021	15,806.00	2,435.00	18,241.00
March 31, 2022	28,042.70	5,117.43	33,160.13
March 31, 2023	37,675.22	8,865.34	46,540.56

New Product or Business Segment

Except as disclosed in “*Our Business*” on page 97 of this Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Significant Developments since last balance sheet date

Our Company is in the process of finalising the quarterly results for the nine month period ended December 31, 2023. We shall be disclosing the financial results for the aforementioned quarter in accordance with the SEBI Listing Regulations, after the filing of this Letter of Offer, and before opening of this Issue. We request you to kindly refer to the quarterly results for the nine month period ended December 31, 2023, for any material developments which may have arisen after September 30, 2022 and until December 31, 2023.

To our knowledge no circumstances have arisen since September 30, 2022, the date of the last financial information disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and being traded on the BSE and NSE.

- i. Year is a Financial Year;
- ii. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- iii. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- iv. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Financial Year	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the Year
2021	6.97	24.02.2021	83,176	5,79,578	2.00	01.06.2020	5,000	10,000	4.64
2022	15.86	10.02.2022	90,226	14,36,730	4.18	26.04.2021	9,805	41,497	8.80
2023	34.55	19.01.2023	93,753	32,37,583	10.81	13.07.2022	1,785	19,301	18.68

(Source: www.bseindia.com)

b) National Stock Exchange Limited

Financial Year	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the Year
2021	6.90	24.02.2021	78,236	5,39,828	2.65	01.06.2020	14,657	38,234	4.73
2022	15.85	10.02.2022	3,22,326	51,30,433	4.25	27.04.2021	24,951	1,05,300	9.42
2023	34.55	19.01.2023	3,57,809	1,23,53,927	10.70	15.07.2022	20,005	2,14,057	18.66

(Source: www.nseindia.com)

Notes: High, low and average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

Market Prices for the last six calendar months

The total number of days that the Equity Shares were traded on the BSE during the last 6 calendar months i.e. July 2023 to December 2023 was 123 Days. The average volume of the Equity Shares traded on the BSE were 19,610 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on BSE during the last 6 calendar months preceding the date of filing of this Letter of Offer are as follows:

Month	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the month
July 2023	39.31	19.07.2023	24,908	9,74,074	32.00	03.07.2023	7,081	2,27,846	35.42
August 2023	41.74	29.08.2023	43,069	17,84,559	33.22	03.08.2023	22,355	7,42,633	36.02
September 2023	40.95	07.09.2023	11,297	4,66,968	38.22	12.09.2023	19,470	7,59,866	39.94
October 2023	54.04	23.10.2023	66,229	35,79,015	38.89	09.10.2023	20,279	7,73,755	44.81

Month	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the month
November 2023	51.29	10.11.2023	2,705	1,38,622	45.50	16.11.2023	31,620	14,00,801	49.08
December, 2023	50.77	12.12.2023	63,304	31,85,603	46.21	11.12.2023	16,701	7,74,441	48.51

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The total number of days that the Equity Shares were traded on the NSE during the last 6 calendar months i.e. July 2023 to December 2023 was 123 Days. The average volume of the Equity Shares traded on the NSE were 43,434 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on NSE during the last 6 calendar months preceding the date of filing of this Letter of Offer are as follows:

Month	High (In ₹)	Date of High	Number of shares traded on date of High	Total volume traded on date of High (in ₹)	Low (In ₹)	Date of Low	Number of shares traded on date of low	Total Volume traded on date of Low (in ₹)	Average Price for the month
July 2023	39.60	19.07.2023	1,33,760	52,12,549	32.40	04.07.2023	79,033	26,02,343	35.37
August 2023	42.25	30.08.2023	4,24,509	1,79,50,479	33.45	03.08.2023	21,142	6,86,461	35.83
September 2023	41.35	07.09.2023	74,638	30,84,903	38.05	12.09.2023	59,085	23,19,577	39.85
October 2023	54.00	23.10.2023	71,110	38,39,940	38.50	09.10.2023	13,493	5,21,514	44.62
November 2023	51.30	10.11.2023	38,498	19,66,009	44.40	16.11.2023	1,51,173	66,79,460	49.02
December, 2023	50.65	12.12.2023	1,97,797	98,74,377	46.15	11.12.2023	59,174	27,42,725	48.58

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on October 13, 2023. The high and low prices of our Company's shares as quoted on BSE and NSE on October 16, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

BSE

Date	Volume (in ₹)	Highest Price (in ₹)	Lowest Price (in ₹)
October 16, 2023	13,397	42.80	39.98

(Source: www.bseindia.com)

NSE

Date	Volume (in ₹)	Highest Price (in ₹)	Lowest Price (in ₹)
October 16, 2023	1,11,720	42.75	40.50

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors or Promoters; (ii) actions by any statutory or regulatory authorities involving our Company, Directors or Promoters; or (iii) claim involving our Company, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to our Company’s ‘Policy on determination of materiality of events’ framed in accordance with Regulation 30 of the SEBI Listing Regulations (“**Materiality Policy**”).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

A. involving our Company and Promoters (“**Relevant Parties**”):

- i. where the aggregate monetary claim made by or against the Relevant Parties, in any pending civil litigation proceeding exceeds the lower of the following: (a) two percent of turnover, as per the last Restated Financial Statements of the listed entity; (b) two percent of net worth, as per the last Restated Financial Statements of the listed entity, except in case the arithmetic value of the net worth is negative; (c) five percent of the average of absolute value of profit or loss after tax, as per the last three Restated Financial Statements of the listed entity shall be considered material and will be disclosed in the Offer Documents. 5% of 2578.33 lakhs as per the Restated Financial Statements amounts to ₹ 128.92 lakhs. Accordingly, all outstanding civil litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding is in excess of ₹ 128.92 lakhs shall be considered material;
- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company will be considered “material” and will be disclosed in the Offer Documents.

B. involving our Directors and our Promoters (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

Further, except as disclosed in this section, there are no disciplinary action taken against any of our Promoters by SEBI or the Stock Exchanges in the five Fiscals preceding the date of this Letter of Offer.

Unless stated to the contrary, the information provided in this section is as of the date of this Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

A. Litigation involving our Company

Litigation against our Company

Criminal Proceedings

- a) A revision petition bearing number 167/2020 was filed by Bharat Bhushan Rohilla (“**Revisionist**”) against our Company before Tis Hazari Court, Delhi challenging the dismissal of application by the Hon’ble Metropolitan Magistrate. The petition was filed on the grounds that our Company allegedly assured the Revisionist that in case of cancellation of booking of the banquet hall advance payment would be refunded to him, and on the occurrence of cancellation of his booking failed to refund the advance amount. The Hon’ble Court pursuant to an order passed on February 17, 2022 dismissed the petition on the grounds that the dispute alleged in the complaint is essentially a civil dispute. The Hon’ble Court further directed that the matter shall be sent back to the concerned court for adjudication.

Actions taken by Statutory/Regulatory Authorities

- a) A complaint bearing number 4 of 2008 was filed by Arun Singh (“**Complainant**”) before the Hon’ble Presiding Officer, Labour Court (2), Lohiyaganar, Ghaziabad, Uttar Pradesh, against our Company under Section 2 of the Uttar Pradesh Industrial Disputes Act, 1947. The Complaint was filed on account of the removal of the Complainant by our Company on September 20, 2006. The Complainant alleged that our Company ceased paying wages in 2006 and that he suffered a leg fracture while driving our car to Mathura during the course of his employment, for which he has yet to receive compensation; additionally, he was also not given a reason for termination of his employment. Our Company has, replied that the Complainant's allegations are misleading and, therefore, the petition should be dismissed.
- b) A complaint bearing number 78 of 2009 was filed by Dodh Ram (“**Complainant**”) before the Hon’ble Additional Labour Commissioner, Labour Court (2), Lohiyaganar, Ghaziabad, Uttar Pradesh, against our Company. The Complaint was filed on account of the removal of the Complainant by our Company on November 8, 2008. The Complainant worked as a Conductor for our Company from 1997, and later, in January 2000, he was appointed to the driver post. The complainant alleged that our Company ceased paying wages from July 2008 and that he was later removed from employment without payment of wages. Our Company has, replied that the Complainant's allegations are misleading and, therefore, the petition should be dismissed.
- c) A complaint bearing number 4 / 2008 was filed by Arun Singh (“**Complainant**”) before the Hon’ble Additional Labour Commissioner, Labour Court (2), Lohiyaganar, Ghaziabad, Uttar Pradesh, against our Company. The Complaint was filed on account of the removal of the Complainant by our Company. The Complainant alleged that our Company ceased paying wages from July 2008 and that he was later removed from employment without payment of wages. Our Company has, replied that the Complainant's allegations are misleading and, therefore, the petition should be dismissed. He has prayed for payment of an amount of ₹ 1.24 lakhs

Other Material Litigations

- a) An original application was filed by Arti (the “**Applicant**”) before the Principal Bench of National Green Tribunal (the “**Tribunal**”) against Country Inn and Suites division of our Company (“**CIS**”), Central Ground Water Authority, Jal Nigam, Uttar Pradesh, Ghaziabad Development Authority and 121 other hotels (“**Application**”). The Respondent *vide* the Application has raised a complaint that the condition of ground water in District Ghaziabad is very precarious and all the 4 blocks of District Ghaziabad are under over-stressed category; and ground water is depleting very rapidly particularly on account of illegal and unauthorized abstraction of ground water by various hotels, marriage halls, party lawns etc. located in District Ghaziabad. The Tribunal pursuant to an interim order passed on October 17, 2022 directed sealing of all establishments operating without mandatory consents to operate as per Water Act, till compliance and registering criminal cases for theft of groundwater against owners of the establishments. The matter is currently pending.
- b) A civil appeal was filed by UDK Papers Private Limited (“**Appellant**”) against our Company before the High Court of Delhi at New Delhi, challenging the order dated February 28, 2015 (the “**Order**”) passed by Ld. Additional District Judge whereby he dismissed the objection filed by the Appellant under Section 34 of Arbitration and Conciliation Act, 1996 against the award passed by the Ld. Sole Arbitrator pursuant to its order dated October 10, 2012 (“**Award**”). The brief facts of the matter are that the Appellant had filed a claim before the Paper Merchant Association, Delhi alleging that our Company failed to provide an adjustment of an amount of ₹ 76,647 to the Respondent. The Ld. Sole Arbitrator appointed for resolution of the said claim, *vide* (i) an order dated September 14, 2012 rejected the request of the Appellant for cross-examination of our Company; and (ii) an order dated October 10, 2012 passed an award for a sum of ₹ 9.52 lakhs in favour of our Company with 18% interest per annum. The Appellant had challenged the Award before the Additional District Judge, however the said objection was dismissed pursuant to the Order. The question of law raised pursuant to the said appeal filed by the Appellant is that (i) whether the Appellant has the right to cross examine our Company, (ii) whether that right can be rejected by the Ld. Sole Arbitrator; and (iii) whether such act of the Ld. Sole Arbitrator amounts to misconduct and violation of principles of natural justice. The Respondent has prayed the Hon’ble Court to pass a decree to set aside the Order and remand the matter back to Ld. Sole Arbitrator for giving opportunity to cross examine the Respondent and thereafter pass appropriate order on merits. The matter is currently pending before the High Court of Delhi at Delhi.

Disciplinary action taken (including outstanding action) against our Company in the five Financial Years

preceding the date of this Letter of Offer by SEBI or any stock exchanges

- a) An appeal was filed by our Company before the Securities Appellate Tribunal (“SAT” and the appeal, the “**Appeal**”) challenging the final order passed by No. QJA/SP/CFID/CFID-SEC4/26875/2023-24 dated May 31, 2023 passed by the Ld. Executive Director of SEBI (the “ED” and such order the “**Order**”) whereby the ED has restrained our Company, our Promoters, our Chief Financial Officer, our Whole-time Director, the *erstwhile* Company Secretary and Compliance Officer, Neha Gupta *erstwhile* Executive Director, Rakesh Garg- *erstwhile* Independent Director, Subash Oswal (“**Noticees**”), from accessing the securities market for a period of one year. Further, the ED had directed our Company to file Statements on Impact of Audit Qualifications in the prescribed format, for the entire period between FY 2016- 17 to 2022-23, with the stock exchanges, within two weeks from the date of order. In addition to the above, a penalty of ₹ 12 lakhs was imposed on our Company and ₹ 54.00 lakhs were imposed on each of the aforementioned Noticees under Section 15 HB of the SEBI Act, 1992.

An appeal has also been filed by the Noticees before the Hon’ble SAT challenging the Order, on the same grounds as that of our Company and seeking similar reliefs as that of our Company.

Details of the Order and Show Cause Notice

The Order was passed pursuant to an show cause notice dated September 2, 2022 issued by SEBI to our Company alleging that (i) the accounting treatment of debt and interest was not in accordance with the Generally Accepted Accounting Principles and the applicable and notified Accounting Standards, and therefore our Company had fraudulently manipulated its financial position; (ii) provisioning for doubtful debts and complete reversal of the same in the succeeding year, inflated a financial result of our Company for the FY 2016-17; (iii) concealment of audit qualifications at the time of disclosure of audited financial results for the quarter and year ended March 31, 2017 to the Stock Exchanges, caused significant fluctuations in the share price of our Company; (iv) the limited review reports and the audit reports published for the FY 2016- 17 to FY 2019-20, were audited by an auditor who did not hold a peer review certificate; (v) there were instances of non-disclosure/ incorrect disclosure of information in the annual reports of our Company for the financial years 2016-17 to 2019-20. It was further alleged that the aforementioned incorrect financial disclosures led to a rise and fall in the stock price; therefore, the said acts were manipulative in nature. Our Company filed replies to the SCN stating that (i) the accounting treatment for reversal of old interest and non-provision of future interest was on account of an impending OTS with the banks and ARCs, and it is well within the discretion of the management to give material particulars for the deviation; (ii) the reversal of the provisions for doubtful debts was on account of the possibility of recovery from the debtors; (iii) the audit qualifications and the explanation of the management were duly disclosed in the annual report of our Company; (iv) the auditor of our Company was peer-reviewed and held a valid peer review certificate; (v) our Company cannot be charged under the SEBI PFUTP Regulations as (a) the accounts were properly prepared and (b) even otherwise, there can be no allegations of violation of PFUTP Regulations merely because there was a change in price if the Appellant, its directors or any other person did not have anything to do with the same. On May 31, 2023, SEBI passed the Impugned Order and exonerated our Company of the following charges, (i) the limited review reports and the audit reports published for the FY 2016- 17 to FY 2019-20, were audited by an auditor who did not hold a peer review certificate; and (ii) there were instances of non-disclosure/ incorrect disclosure of information in the annual reports of our Company for the financial years 2016-17 to 2019-20. However, our Company was held guilty of all other charges.

Details of the Appeal

Our Company has filed the Appeal on the grounds that *inter alia*, (i) there was no mala-fide intention on the part of our Promoters and Directors and a mere change in price of our Equity Shares cannot be considered a sufficient ground for alleging a fraud; (ii) the annual reports for FY 2016-2017 and the disclosures made by our Company clearly reflect the accounting treatment and therefore any shareholder who was reading the annual accounts would have knowledge of the affairs of our Company, (iii) if an auditor disagrees with an accounting treatment, our Company can neither change the same or offer an explanation to the audit qualifications, (iv) the act of reversal of the accrued interest, the qualification of the auditor, and the comments from our Company were all available to the reader to take an informed decision; (v) the reversal of interest was imperative to give a true and fair picture of the affairs of our Company since we did not pay the entire principal amount to the lender banks / the ARC and hence accounting standards were complied with by our Company and there was no violation made by our Company. Our Company has prayed Hon’ble SAT to pass an order quashing and setting aside the Order

and pass an order staying the operation and implementation of the Order.

The Hon'ble SAT vide orders dated July 13, 2023 in the appeals filed by our Company and the Noticees has directed our Company and Noticees to deposit the penalty amount which shall be subject to the result of the appeal, considering that in accordance with the finding in the Order, no benefit has been accrued to our Company and the Noticees due to misrepresentation. Further, Hon'ble SAT has stayed the Order, to the extent to which it restrained our Company and the Noticees from accessing the securities market. The Appeal is presently pending for adjudication.

- b) Our Company has paid certain fines and penalties levied by BSE Limited and National Stock Exchange of India Limited, for non-compliances committed by us under the SEBI Listing Regulations and SEBI ICDR Regulations. We have paid the fines levied by the Stock Exchanges. The details of such fines and penalties have been provided below:

S. No.	Non-compliance alleged	Fine/ penalty levied (in ₹)	Stock Exchange which imposed fine	Date of payment of fine
1.	Late submission under Regulation 13(3) of the SEBI Listing Regulations for the quarter ended June 30, 2020.	1,000	BSE Limited	January 30, 2023
2.	Late submission under Regulation 13(3) of the SEBI Listing Regulations for the quarter ended June 30, 2020.	1,000	National Stock Exchange of India Limited	September 14, 2020
3.	Late submission under Regulation 31 of the SEBI Listing Regulations for the quarter ended June 30, 2020.	The fine amount was waived	BSE Limited	-
4.	Late submission under Regulation 31 of the SEBI Listing Regulations for the quarter ended June 30, 2020.	2,000	National Stock Exchange of India Limited	September 14, 2020
5.	Late submission under Regulation 33 of the SEBI Listing Regulations for the quarter ended June 30, 2016.	65,000	BSE Limited	January 30, 2023
6.	Late submission under Regulation 27(2) of the SEBI Listing Regulations for the quarter ended March 31, 2017.	2,000	BSE Limited	May 12, 2017
7.	Non-Submission of corporate governance report under Regulation 17(1) of the SEBI Listing Regulations for the quarter ended March 31, 2019	5,900	BSE Limited	May 14, 2019
8.	Late submission of corporate governance report under Regulation 17(1) of the SEBI Listing Regulations for the quarter ended March 31, 2019	5,900	National Stock Exchange of India Limited	May 9, 2019
9.	Late submission of reconciliation of share capital for the quarter ended June 30, 2020	-	-	-
	Total	82,800		

Litigation by our Company

Criminal Proceedings

- b) A criminal complaint was filed by our Company against M/s Monit Trading Company and others (hereinafter collectively as “**Defendants**”) under Sections 406 and 420 of the Indian Penal Code, 1860 for recovery of payment owed by the Defendants to our Company towards goods supplied by our Company. The complaint was filed by our Company pursuant to non-payment of an amount of ₹ 55,909 by the Defendants, payable towards the paper supplied by our Company. Our Company prayed for punishment under Section 200 of the Indian Penal Code, 1860. The matter is currently pending before the Hon'ble Additional Chief Judicial Magistrate, Ghaziabad.

Civil and other Material Litigations

- a) The Country Inn and Suites division of our Company (“**CIS**”) has preferred an appeal under Section 22

of the National Green Tribunal Act, 2010 (“**Tribunal**”) before the Hon’ble Supreme Court of India (“**Appeal**”) challenging the judgment and final order February 10, 2023 passed by the National Green Tribunal in the civil suit filed by Shri Hazi Arif, President Rashtrya Kishan Brigade (the “**Respondent**”) before the Principal Bench of National Green Tribunal against CIS (“**Civil Suit**”). The Civil Suit was filed for restoring the sewage drain, which was covered by CIS for establishing a Five Star Hotel in its vicinity, to its original position and for removing the encroachments. The drain was covered after requisite permission from the Municipal Corporation, at Ghaziabad and as per the requirement by the Ministry of Tourism for declaring a hotel a Five Star. On May 13, 2022, the Tribunal passed an interim order, holding the construction as illegal. However, the order was subject to a viable and acceptable alternative to restore environment and drain for which an expert committee was constituted, which submitted its report with alternatives. The said committee submitted its report on October 14, 2022 suggested that cleaning chambers should be made at intervals of 30 (thirty) meters or after confluence of additional drains into the drain whichever is earlier, and that mechanized screens should be installed in these cleaning chambers and its efficacy should be monitored. The Tribunal in the final order passed on February 10, 2023 (the “**Order**”), did not consider the suggestions of the expert committee and held that the permission and licenses granted by Municipal Corporation are in violation of Section 24(1)(b) of Water (Prevention & Control) Act, 1974 and directed that the constructions were liable to be removed. The Tribunal additionally directed that the construction over the drain, and within 12 meters from the edge of the drain are liable to be demolished. The Appeal has been filed before the Hon’ble Supreme Court of India on the grounds that *inter alia*, (i) the Tribunal has not dealt with the technical recommendations/alternatives that are mentioned in the report of the expert committee, which forms the basis of the viable alternative, as put forth by the Joint Committee; (ii) the Tribunal further failed to consider several other alternatives put forth before it by various stakeholders which formed part of the report; (iii) the Tribunal has failed to consider that in terms of the report, CIS’s discharge into the drain has been within the prescribed norms and limits and thus cannot be held to be causing/aggravating pollution which is the essential ingredients for the applicability of Section 24(1)(b) of the Water Act. CIS pursuant to the Appeal has prayed the Hon’ble Supreme Court of India to admit and allow the Appeal and set aside the Order. The Hon’ble Supreme Court of India has passed an interim order on August 18, 2023 directing that no coercive action shall be taken against CIS for non-compliance of the order. The Appeal is presently pending before the Hon’ble Supreme Court.

- b) An execution petition was filed by our Company before the Court of Hon’ble District Judge, Delhi against M/s UDK Papers Private Limited (“**Respondent**”) seeking execution of the order dated October 10, 2012 passed by the Ld. Sole Arbitrator awarding a sum of ₹ 9.52 lakhs in favour of our Company with 18% interest per annum. Our Company pursuant to the execution petition has prayed the Hon’ble Court that the Respondent be directed to pay the decree amount and accordingly be ordered to sell his property and pay the realized amount to our Company for satisfaction of the decree amount.

B. Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigations

As on the date of this Letter of Offer, there are no criminal litigations pending against our Promoters.

Actions taken by regulatory/statutory authorities

As on the date of this Letter of Offer, there are no actions by statutory or regulatory authorities against our Promoters.

Other Material Litigation

As on the date of this Letter of Offer, there are no material litigations against our Promoters.

Disciplinary action taken (including outstanding action) against our Promoters in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange

For details, please refer to “*Litigation against our Company – Disciplinary action taken (including outstanding action) against our Company in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange*” on page 225.

Litigation by our Promoters

Criminal Litigation

As on the date of this Letter of Offer, there is no criminal litigation filed by our Promoters.

Other Material Litigation

As on the date of this Letter of Offer, there is no material civil litigation filed by our Promoters.

C. Litigation involving our Directors

Litigation against our Directors

Criminal Litigations

A first information report and an application was filed by Mahendra Singh (“**Complainant**”) before the SSP Ghaziabad and the Chief Judicial Magistrate, Ghaziabad, respectively, against our Director, Shiv Pravesh Chaturvedi and other employees of our Company alleging that our Director unlawfully terminated his employment from our Company, as a security guard on account of a dispute which occurred between the Complainant and other employees of the manufacturing unit. He further alleged that our Director along with other officers of our Company entered his house and assaulted him and threatened him to withdraw the case filed against them. The police have investigated the case and have submitted their findings before the Chief Judicial Magistrate, Ghaziabad.

Actions taken by statutory or regulatory authorities

As on the date of this Letter of Offer, there are no actions by statutory or regulatory authorities against our Directors.

Other Material Litigations

As on the date of this Letter of Offer, there are no material litigations against our Directors.

Disciplinary action taken (including outstanding action) against our Directors in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange

For details, please refer to “*Litigation against our Company – Disciplinary action taken (including outstanding action) against our Company in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange*” on page 225.

Litigations by our Directors

Criminal Litigations

As on the date of this Letter of Offer, there is no criminal litigation by our Directors.

Other Material Litigation

As on the date of this Letter of Offer, there is no material civil litigation filed by our Promoters.

D. Litigation involving our Subsidiary

As on the date of this Letter of Offer, our Company does not have a subsidiary.

E. Tax proceedings against our Company, Subsidiary, Promoters and Directors

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Promoters and Directors:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)*
Company		
Direct tax	1	17.47
Indirect tax	1	164.01
Promoters		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

*To the extent quantifiable

F. Disclosures pertaining to wilful defaulters

As on date of this Letter of Offer, neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Except as disclosed in this Letter of Offer, there are no violations of securities laws committed by them in the past or are currently pending against any of them.

G. Material Developments

Our Company is in the process of finalising the quarterly results for the nine month period ended December 31, 2023. We shall be disclosing the financial results for the aforementioned quarter in accordance with the SEBI Listing Regulations, after the filing of this Letter of Offer, and before opening of this Issue. We request you to kindly refer to the quarterly results for the nine month period ended December 31, 2023, for any material developments which may have arisen after September 30, 2022 and until December 31, 2023.

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 211, there have been no material developments, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 71 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated October 13, 2023, have authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has, at its meeting held on January 18, 2024, determined the Issue Price as ₹ 54/- per Rights Equity Share, and the Rights Entitlement as two (02) Rights Equity Shares for every eleven (11) Equity Shares held on the Record Date, being Thursday, January 25, 2024.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated January 12, 2024 and December 29, 2023 issued by BSE and NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Except as disclosed in "*Litigation involving our Company - Disciplinary action taken (including outstanding action) against our Company in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange*" on page 225 of this Letter of Offer, our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, except as disclosed in "*Litigation involving our Company - Disciplinary action taken (including outstanding action) against our Company in the five Financial Years preceding the date of this Letter of Offer by SEBI or any stock exchange*" on page 225 of this Letter of Offer, our Promoters and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoter are associated with the securities market in any manner. Except as disclosed in this Letter of Offer, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

As on date of this Letter of Offer, neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Except as disclosed in this Letter of Offer, there are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company and our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer was not with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 4,892.09 lakhs. The present Issue being of less than ₹ 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company has filed the copy of this Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.magnumventures.in or the respective websites of our Promoter Group, the affiliates of our Company would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Letter of Offer has been provided below:

*“BSE Limited (**“the Exchange”**) has given vide its letter dated January 12, 2023, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*

- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”

Disclaimer Clause of NSE

As required, a copy of the Draft Letter of Offer was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Letter of Offer, has been provided below:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/38900 dated December 29, 2023 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of the Draft Letter of Offer and this Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer and this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer and this Letter of Offer, Abridged Letter of Offer or any other material

relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Draft Letter of Offer was filed with the Stock Exchanges and this Letter of Offer will be filed with SEBI for its information and record and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer and this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Draft Letter of Offer and this Letter of Offer / Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer and this Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not

provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER AND THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER AND THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, consultant, the Registrar to the Issue and the Banker to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated December 12, 2023 from the Statutory Auditor to include its name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated December 12, 2023 on our Restated Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; (ii) limited reviewed report dated November 10, 2023 on the unaudited financial results for the six months period ended September 30, 2023; and (iii) Statement of Special Tax Benefits dated December 12, 2023 in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated December 12, 2023 from the Statutory Auditor to include its name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated December 12, 2023 on our Restated Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; (ii) limited reviewed report dated November 10, 2023 on the unaudited financial results for the six months period ended September 30, 2023; and (iii) Statement of Special Tax Benefits dated December 12, 2023 in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

Except for the abovementioned documents, provided by our Statutory Auditor, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. Further, there have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

As on date of this Letter of Offer, our Company does not have any subsidiaries or associate companies.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “*Market Price Information*” on page 222 of this Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer was filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, this Letter of Offer will be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. MAS Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper

application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning at page 239 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi-110 020,
Delhi, India.

Telephone: +91 112 638 7281/83

Facsimile: +91 112 638 7384

E-mail: investor@masserv.com

Website: www.masserv.com

Investor grievance: inverstor@masserv.com

SEBI Registration No: INR000000049

Contact person: N C Pal

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Aaina Gupta, Company Secretary of our Company. Her contact details are set forth hereunder.

18/41, Site IV, Industrial Area,
Sahiabad, Gaziabad - 201 010
Uttar Pradesh, India

Telephone: +91 120 455 1512

Fax No.: N.A.

E-mail: cs_mvl@cissahabad.in

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in the Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Master Circular, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Master Circular, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched by registered or speed post, on a reasonable effort basis, to the Indian addresses provided by them. Further, the Draft Letter of Offer and this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.magnumventures.in;
- (ii) the Registrar at www.masserv.com;and
- (iii) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched by registered or speed post, on a reasonable effort basis, to the Indian addresses provided by them.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.masserv.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical/demat form as on Record Date). The link for the same shall also be available on the website of our Company (i.e., www.magnumventures.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges and SEBI. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Letter of Offer is being provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Master Circular, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “- *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 250 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- *Grounds for Technical Rejection*” on page 246 of this Letter of Offer.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 242 of this Letter of Offer.

- *Options available to the Eligible Equity Shareholders*

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.masserv.com and link of the same would also be available on the website of our Company at www.magnumventures.in. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

1. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

4. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
5. renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Registrar, the Banker to the Issue, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (g) Do not submit multiple Applications.
- (h) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (i) Do not pay the Application Money in cash, by money order, pay order or postal order.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, the Stock Exchanges.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Magnum Ventures Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹54/- per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Foreign Ownership of Indian Securities*” on page 264, of this Letter of Offer and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Foreign Ownership of Indian Securities” on page 264 of the Letter of Offer.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 242 of this Letter of Offer.

In accordance with the SEBI Master Circular, Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “-*Basis of Allotment*” on page 258.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 243.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Banker to the Issue, our Company or the Registrar.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have

not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (n) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (o) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- (p) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in the Issue are liable to be rejected on the following grounds:

- (a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Banker to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) RE not available in demat account as on closing of Rights Issue.
- (q) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and “qualified purchasers” (as defined under the U.S. Investment Company Act of 1940, as amended and referred to in this Letter of Offer as “QPs”) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (r) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (s) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (t) Applicants not having the requisite approvals to make application in the Issue.
- (u) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**
- (v) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant’s name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- (w) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the

Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

- (x) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- (y) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.
- (z) Application forms supported by the amount blocked from a third party bank account.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- Procedure for Applications by Mutual Funds” on page 249.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to the Issue as described in “General Information – Minimum Subscription” on page 61.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, February 21, 2024, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- Basis of Allotment” on page 258.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of four days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.masserv.com) by entering their DP ID and Client ID or folio number (for Eligible

Equity Shareholders who hold Equity Shares in physical/demat form as on Record Date). The link for the same shall also be available on the website of our Company (i.e., www.magnumventures.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE387I20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.masserv.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “MAGNUM VENTURES LIMITED – RE SUSPENSE ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Monday, February 19, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard.

Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

- Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off market transfer.

- Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two Working Days prior to Issue Closing Date, such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

- Payment Schedule of Rights Equity Shares

₹54/- per Rights Equity Share (including premium of ₹44/- per Rights Equity Share) shall be payable on Application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company. In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the the Stock Exchanges under ISIN: INE387I20016 subject to requisite approvals. Prior to the Issue Opening Date, our

Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, February 07, 2024 to Friday, February 16, 2024 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE387I20016 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchanges under automatic order matching mechanism and on T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE387I20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI.BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on page 60.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of two (2) Rights Equity Shares for every eleven (11) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than six (6) Rights Equity Shares or not in the multiple of six (6), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity

Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds five (5) Equity Shares, such Equity Shareholder will be entitled to one (1) Equity Share and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than six (6) Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from BSE and NSE through their letter bearing reference number LOD/RIGHT/VK/FIP/1101/2023-24 dated January 12, 2024 and NSE/LIST/38900 dated December 29, 2023, respectively. The Equity Shares of our Company have not been listed on NSE. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to its Allotment.

No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof. The existing Equity Shares are listed and traded on BSE (Scrip Code: 531505) and NSE (Symbol: MAGNUM) under the ISIN: INE628F01019. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges.

Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall,

on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- Subscription to the Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter, see “*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group in the Issue*” on page 67.

VII. GENERAL TERMS OF THE ISSUE

- Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

- Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

- Notices

In accordance with the SEBI ICDR Regulations and the SEBI Master Circular, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched by registered or speed post, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional Marathi daily newspaper with wide circulation (Marathi also being the regional language in the place where our Registered is located).

The Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the the Stock Exchanges for making the same available on its website.

- Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice.

If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at investor@masserv.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges.

Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened.

Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 259.

VIII. ISSUE SCHEDULE

Issue Opening Date	Wednesday, February 07, 2024
Issue Closing Date	Wednesday, February 21, 2024
Finalising the basis of allotment with the Designated Stock Exchange	Wednesday, February 28, 2024
Date of Allotment (on or about)	Wednesday, February 28, 2024
Initiation of refunds	Wednesday, February 28, 2024

Date of credit (on or about)	Thursday, February 29, 2024
Date of listing (on or about)	Monday, March 04, 2024

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., Monday, February 19, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Wednesday, February 21, 2024.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchanges and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched by registered or speed post, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 1 day from the finalisation of Basis of allotment T+1, T being the date of approval of basis of allotment. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 1 day’ period

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

- Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Investors, details of which were provided in the Application Form

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates: tripartite agreements each dated October 29, 2009 amongst our Company, NSDL and CDSL, respectively, and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lacs or with both.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP

2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project. However, our Promoters and members of our Promoter Group have vide their letters each dated December 12, 2023 informed us that they shall be renouncing their entire Rights Entitlements to third parties. Accordingly, minimum subscription criteria provided under Regulation 86(1) of the SEBI ICDR Regulations shall apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI Master Circular. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer was filed with the Stock Exchanges and not with SEBI. However, this Letter of Offer has been submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the Stock Exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 23.

All enquiries in connection with this Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “*Magnum Venture Limited– Rights Issue*” on the envelope to the Registrar at the following address:

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi-110 020,
Delhi, India.

Telephone: +91 112 638 7281/83

Facsimile: +91 112 638 7384

E-mail: investor@masserv.com

Website: www.masserv.com

Investor grievance: inverstor@masserv.com

SEBI Registration No: INR000000049

Contact person: N C Pal

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

The Investors can visit following links for the below-mentioned purposes:

- (a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.masserv.com;
- (b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.masserv.com;
- (c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.masserv.com; and
- (d) Download of RE-form,.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.magnumventures.in from the date of the Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated December 11, 2023 entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated January 18, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the past five years.
- (iii) Certificate of incorporation dated May 29, 1980.
- (iv) Certificate of incorporation dated February 15, 1995 issued post conversion of our Company into a public limited company.
- (v) Certificate of incorporation dated November 15, 2006 issued post change of the name of our Company to '*Magnum Ventures Limited*'.
- (vi) Resolution of the Board of Directors dated October 13, 2023 in relation to the Issue.
- (vii) Resolution of the Board of Directors dated December 12, 2023 approving and adopting the Draft Letter of Offer.
- (viii) Resolution of the Board of Directors dated January 18, 2024 approving and adopting this Letter of Offer.
- (ix) Resolution of our Board dated January 18, 2024, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- (x) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Bankers to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- (xi) The examination reports dated December 12, 2023 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Letter of Offer.
- (xii) The limited review report dated November 10, 2023 of the Statutory Auditor on the unaudited financial statements for the six-month period ended September 30, 2023 included in this Letter of Offer.
- (xiii) Statement of Tax Benefits dated December 12, 2023 from the Statutory Auditor included in this Letter of Offer.
- (xiv) Tripartite Agreement dated October 29, 2009 between our Company, NSDL and the Registrar to the Issue.

- (xv) Tripartite Agreement dated October 29, 2009 between our Company, CSDL and the Registrar to the Issue.
- (xvi) In principle listing approvals dated January 12, 2024 and December 29, 2023 issued by BSE and NSE.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Parveen Jain
(Chairman and Non-Executive Director)

Sd/-

Abhay Jain
(Managing Director)

Sd/-

Pradeep Kumar Jain
(Managing Director)

Sd/-

Shiv Pravesh Chaturvedi
(Whole-Time Director)

Sd/-

Jyoti
(Independent Director)

Sd/-

Shalini Rahul
(Independent Director)

Sd/-

Aanchal Jain
(Independent Director)

Sd/-

Jyoti Bansal
(Independent Director)

Sd/-

Parv Jain
(Chief Financial Officer)
Place: Ghaziabad

Date: January 18, 2024