

**MAGNUM VENTURES LIMITED**  
(CIN: L21093DL1980PLC010492)

**35<sup>th</sup> ANNUAL REPORT – 2015**

**BOARD OF DIRECTORS**

<b>Pradeep Kumar Jain</b>	<i>Managing Director</i>
<b>Abhey Kumar Jain</b>	<i>Whole-time Director</i>
<b>Parmod Kumar Jain</b>	<i>Director</i>
<b>Praveen Kumar Jain</b>	<i>Director</i>
<b>Subash Oswal</b>	<i>Director</i>
<b>Rakesh Garg</b>	<i>Director</i>
<b>Naveen Jain</b>	<i>Director</i>
<b>Shri Krishan Jain</b>	<i>Director</i>
<b>Shiv Praveesh Chaturvedi</b>	<i>Director</i>
<b>Monisha Chaudhary</b>	<i>Additional Director</i>

<b><u>Company Secretary and Compliance Officer</u></b> <b>Ms. Monisha Chaudhary</b> Mob: 7503935312 Ph. No. 0120-4551138 Email id: <a href="mailto:cs_mvl@outlook.com">cs_mvl@outlook.com</a>	<b><u>Chief Financial Officer</u></b> <b>Parmod Kumar Jain</b> Mob. 9873317148 Ph. No. 0120-4551138 Email id: <a href="mailto:dirbnk@cissahibabad.in">dirbnk@cissahibabad.in</a>
<b><u>Internal Auditors</u></b> M/s B L Chakravarti & Associates, Chartered Accountants AAF 2, Shipra Krishna Azure, Kaushambi, Ghaziabad, U.P.- 201010	<b><u>REGISTERED OFFICE</u></b> 685, Chitla Gate, Chawri Bazar Delhi - 110 006 Ph. No. 011-23264503/ 23261179
<b><u>Statutory Auditors</u></b> <b>Aggarwal &amp; Rampal</b> Chartered Accountant 2 <sup>nd</sup> Floor, 19, Local Shopping Complex, Madangir, New Delhi-10062 Ph. No. 011-40512886/87/88 Email id: <a href="mailto:Aditya@aggarwalrampal.com">Aditya@aggarwalrampal.com</a>	<b><u>CORPORATE OFFICE</u></b> 18/31, Site IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201010  <b><u>WORKS</u></b> 18/41, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh - 201 010  64/3,4,5 & 6, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201 010
<b><u>Cost Auditors</u></b> M/s V.K. Dube & Co. Cost Accountants, T II/206, Gulmohar Enclave, Nehru Nagar-II Ghaziabad, U.P.	<b><u>Bankers</u></b> Punjab National Bank Oriental Bank of Commerce Allahabad Bank Indian Overseas Bank Syndicate Bank Vijaya Bank
<b><u>Secretarial Auditors</u></b> Munish K. Sharma & Associates Company Secretaries AAF-14, Shipra Krishna Azure, Near Wace Cinema, Kaushambi, Ghaziabad, UP-201012 Ph. No. 0120-4165725 Email id: <a href="mailto:munish_171@yahoo.com">munish_171@yahoo.com</a>	<b><u>REGISTRAR AND TRANSFER AGENT</u></b> MAS Services Limited T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110 020 Tel: +011-2638 7281/82/83 Fax: +011-2638 7384 Website: <a href="http://www.masserv.com">www.masserv.com</a> E-Mail: <a href="mailto:info@masserv.com">info@masserv.com</a> Contact Person: Mr Shrawan Mangla
<b><u>CONTACT DETAILS</u></b> Phone No. : 91-0120-4199200 (100 lines) Fax : 91-0120-4199234 E-Mail : <a href="mailto:magnumventures@gmail.com">magnumventures@gmail.com</a> Website : <a href="http://www.magnumventures.in">www.magnumventures.in</a>	

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**CHAIRMAN SPEECH**

**Dear Shareholders,**

It is my pleasure to extend a very warm welcome to all of you to your Company's 35<sup>th</sup> Annual General Meeting.

I have great pleasure in sharing with you the highlights of another year of good growth and performance.

During the year under review, total income of the Company was Rs. 22,392.26 Lacs as against Rs. 21,622.79 Lacs in the previous year reflecting Y-O-Y growth of 3.56%. However, due to adverse market conditions, the EBDITA of the company has been reduced by 43.05% during the current reporting period i.e., Rs. 1707.78 lacs as compare with EBDITA of last reporting period i.e., Rs 2998.86 lacs.

**SEGMENTS**

**PAPER DIVISION**

We are pleased to inform to our stakeholders, that to meet out the challenges of recession in our existing final product "Paperboard", the company has diversified in to manufacture of "Newsprints" and started manufacturing Newsprints w. e. f. 01<sup>st</sup> July 2010.

**Presently the Company is manufacturing the following Products:**

- a) Paper Board
- b) Newsprints

**Benefits of Manufacturing Paper Board**

1. Demand has been increased by reason of increase in the volume of packaged material by consumers.
2. As the plasting bags are hazardeous for environment, hence, demand of Paper Board has also been increased.
3. Almost manufacturing are based on orders/ demands, hence, the risk of spoilage are less.
4. Less expenditure on stock/ inventory management.

**Benefits of Manufacturing Newsprints**

1. Demand for Newsprints paper is increased.
2. The realization of payment is better with less risk of bad debts.
3. Final Product is exempt from Excise Duty.

**HOTEL DIVISION**

The Hotel Division started its operation w. e. f. 15-02-2009 under the Brand "Country Inn & Suites" and having "FIVE STAR" category with 216 Rooms. Due to increased room inventory and heavy competition in Delhi NCR; the Average Room Revenue has steeply decreased and resulting low EBITDA margin in Hotel Division. But with stable government, more tourist flow the outlook for future hotel business seems positive.

The company is taking necessary steps to perform better in coming years.

We would like to express that the hotel consists four restaurants- Tatva, 3Bs, 64/6 and Kebab Factory. Each of them specialises in vegetarian cuisines across the country and abroad. The Coffee shop in the lobby with an exquisite collection of cakes and pastries is a centre of attraction for every age group. 3Bs, the pool side restaurant is very much popular spot amongst the young crowd. Another restaurants- Tatva and 64/6 provides perfect lunch and dining experiences.

I would like to express my gratitude to our bankers for acknowledge the difficult phase of economy and extended full support. Our bankers showed their faith in company's management, corporate governance and policies adopted by the company.

I would like to express my gratitude to our Board of Directors for their unstinting support and guidance. I am also grateful to our entire stakeholder - our customers, suppliers, and employees, who have reposed their trust in us and given us their constant support. With all their continued contributions I see the Company far ahead.

With best wishes,  
Sd/-

**Salek Chand Jain**  
Founder Chairman

**NOTICE**

**Notice** is hereby given that the **35<sup>th</sup> Annual General Meeting** ('AGM') of the Members of the Company will be held on **Friday, 25<sup>th</sup> September, 2015 at 11:00 A.M.** at **Ghalib Institute, AIWAN-E GALIB MARG, New Delhi-110002** to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2015 and statement of Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director, in place of **Mr. Praveen Kumar Jain** (DIN: 00423833) Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director, in place of **Mr. Shiv Pravesh Chaturvedi** (DIN: 06834388) Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment M/s Aggarwal & Rampal, Chartered Accountants (FRN: 003072N) as Auditors of the Company and to fix their remuneration and in this regard, pass with or without modifications, the following resolution as ordinary resolution:

**"Resolved that** pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, the appointment of M/s Aggarwal & Rampal, (Firm Registration No. 0030729), Chartered Accountants, as the Statutory Auditors of the Company be and are hereby ratified, who was appointed at the AGM held on 10<sup>th</sup> September, 2014 for a period of four years i.e., up to the conclusion of 38<sup>th</sup> Annual General Meeting to be held in year 2018, and the remuneration shall be decided by the Board of Directors, on recommendation of Audit Committee, including reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of audit."

**Special Business**

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

**"Resolved that** Ms. Monisha Chaudhary (DIN: 07088210) who was appointed as an Additional Director on the Board of the Company w.e.f 12<sup>th</sup> February, 2015 to hold office till the date of Annual General Meeting, be and is hereby appointed as Director of the Company whose office shall be liable for determination through retirement by rotation."

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

**"Resolved that** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,00,000/- (Rupees One Lac only), inclusive of all expenses, of M/s V.K. Dube & Co. (FRN: 000343) for auditing the Company's cost accounting records for the financial year 2015-16, as recommended by the Audit Committee and approved by the Board of Directors be and is hereby ratified."

7. To consider and, if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"Resolved that** pursuant to the provisions of Sections 190, 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, consent of the members be and is hereby accorded for the re-appointment of Mr Abhey Kumar Jain (DIN 01876385) as Whole-Time Director of the Company for a period of 3 years commencing from December 10, 2014, on the terms and conditions of appointment and remuneration as follows:

**Remuneration:**

The remuneration payable to Mr. Abhey Kumar Jain, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year,

during the tenure of Mr. Abhey Kumar Jain, if the Company has no profits or its profits are inadequate, then Mr. Abhey Kumar Jain will be paid in accordance with the provisions of Schedule V of the Act.

Within the aforesaid ceiling, the remuneration payable to Mr Abhey Kumar Jain shall be as follows:

Mr. Abhey Kumar Jain is entitled for remuneration of Rs. 40,000/- (Rupees Forty Thousand only) per month, including allowances and perquisites, which may be increased with the approval of Board up to Rs. 1,00,000/- (Rupees One Lac only).

#### **Other Terms & Conditions**

- a. Mr. Abhey Kumar Jain is appointed as Whole-Time Director of the Company for a period of 3 (Three) years with effect from 10<sup>th</sup> December, 2014.
- b. As Whole-Time Director, Mr. Abhey Kumar Jain shall be entrusted with such responsibilities and shall perform such functions and duties as may be decided by the Board, which may be communicated directly or through the Managing Director from time to time.
- c. Mr. Abhey Kumar Jain shall be subject to the superintendence, control and directions of the Board, which may be either be communicated directly and/ or through the Managing Director.
- d. Mr. Abhey Kumar Jain shall work on whole-time basis for the Company and shall act diligently and to the best of his abilities in the discharge of his duties and shall not, directly or indirectly, engage himself in any other business, occupation or employment without the prior approval of the Board.
- e. Mr. Abhey Kumar Jain shall, whenever required by the Board or by the Managing Director, undertake to travel in India and elsewhere towards the performance of his duties.
- f. The Board may re-allocate / re-designate the duties and responsibilities of Mr. Abhey Kumar Jain.
- g. Mr. Abhey Kumar Jain shall not during his tenure or thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, any confidential information or knowledge obtained by his during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr. Jain shall during the continuance of his employment with the Company also use his best endeavors to prevent any other person from doing so PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company on a need-to-know basis with suitable caution as to confidentiality shall not be deemed to be a contravention of this clause.
- h. He shall not accept the directorship in any other company (ies), except with the prior approval of the Board.
- i. Either party shall be entitled to terminate this employment by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause (hereinafter referred to as "Termination by Mutual Consent"). On the expiry of the period of such notice, this employment shall be stand terminated.

8. To consider and, if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Sections 190, 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, consent of the members be and is hereby accorded for the re-appointment of Mr Pradeep Kumar Jain (DIN 00024879) as Managing Director of the Company for a period of 3 years commencing from February 4, 2016, on the terms and conditions of appointment and remuneration as follows:

#### **Remuneration:**

The remuneration payable to Mr. Pradeep Kumar Jain, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mr. Pradeep Kumar Jain, if the Company has no profits or its profits are inadequate, then Mr. Pradeep Kumar Jain will be paid in accordance with the provisions of Schedule V of the Act.

Within the aforesaid ceiling, the remuneration payable to Mr Pradeep Kumar Jain shall be as follows:

Mr. Pradeep Kumar Jain is entitled for remuneration of Rs. 60,000/- (Rupees Forty Thousand only) per month, including allowances and perquisites, which may be increased with the approval of Board up to Rs. 1,00,000/- (Rupees One Lac only).

**Other Terms & Conditions**

- a. Mr. Pradeep Kumar Jain is appointed as Managing Director of the Company for a period of 3 (Three) years with effect from 4<sup>th</sup> February, 2016.
- b. As Managing Director, Mr. Pradeep Kumar Jain shall be entrusted with substantial powers of management of affairs of the Company and shall also perform such functions and duties as may be decided by the Board.
- c. Mr. Pradeep Kumar Jain shall be subject to the superintendence, control and directions of the Board.
- d. Mr. Pradeep Kumar Jain shall work on whole-time basis for the Company and shall act diligently and to the best of his abilities in the discharge of his duties and shall not, directly or indirectly, engage himself in any other business, occupation or employment without the prior approval of the Board.
- e. Mr. Pradeep Kumar Jain shall, whenever required by the Board, undertake to travel in India or abroad and elsewhere towards the performance of his duties.
- f. The Board may re-allocate / re-designate the duties and responsibilities of Mr. Pradeep Kumar Jain.
- g. Mr. Pradeep Kumar Jain shall not during his tenure or thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr. Jain shall during the continuance of his employment with the Company also use his best endeavors to prevent any other person from doing so PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company on a need-to-know basis with suitable caution as to confidentiality shall not be deemed to be a contravention of this clause.
- h. He shall not accept the directorship in any other company (ies), except with the prior approval of the Board.
- i. Either party shall be entitled to terminate this employment by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause (hereinafter referred to as "Termination by Mutual Consent"). On the expiry of the period of such notice, this employment shall stand terminated.

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

Sd/-

**PRADEEP KUMAR JAIN**  
Managing Director  
DIN: 00024879

Date : 13<sup>th</sup> August, 2015  
Place : Delhi

**Note:**

*1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.*

2. Members/ Proxies should bring duly filled attendance slips attached herewith for attending the meeting.

3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.

4. The Register of Members and Transfer Books of the Company will remain closed from Saturday, September 19, 2015 to Friday, September 25, 2015, both days inclusive, for the purpose of Annual General Meeting.

5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact to RTA of the Company for assistance in this regard.

6. You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Magnum Ventures Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form to receive communication from the Company in electronic mode. You can download the Email Registration Form from the website of the Company [www.magnumventures.com](http://www.magnumventures.com).

7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

8. Members seeking any information with regard to the Accounts are requested to write at least 7 (Seven) days before the date of meeting so that it may be convenient to get the information ready at the meeting.

9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

10. Route map of the venue of the meeting is attached herewith.

11. Electronic copy of the Notice of the 35<sup>th</sup> Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ RTA/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35<sup>th</sup> Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

**12. The procedure and instructions for e-voting as given in the Notice of the 35<sup>th</sup> Annual General Meeting are again reproduced hereunder for easy reference:**

- I.** In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/ Depositories):
- a. Open e-mail and open PDF file viz. "ACL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-Login.
  - d. Put user ID and password as initial password noted in step (i) above. Click Login.
  - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "Magnum Ventures Limited".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.

- I. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [munish\\_171@yahoo.com](mailto:munish_171@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - II. In case of Members receiving Physical copy of Notice of 35<sup>th</sup> Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
    - a. Initial password is provided in the box overleaf.
    - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
  - A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
  - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 18<sup>th</sup> September, 2015.
  - E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September, 2015, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to RTA (MAS Services Limited).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - H. Mr. Munish Kumar Sharma, Practicing Company Secretary (Membership No. FCS-6031 & CP No. 6460), of M/s. Munish K. Sharma & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

K. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.magnumventures.com](http://www.magnumventures.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

13. Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for financial year ended 31<sup>st</sup> march, 2015 shall also be available on the Company's website [www.magnumventures.com](http://www.magnumventures.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 5**

Ms. Monisha Chaudhary (DIN: 07088210) was appointed as an Additional Director in accordance with Section 161 of the Companies Act, 2013 and she can hold office up to the date of forthcoming Annual General Meeting. Her term of office shall be liable to determination by retirement of directors by rotation.

Ms. Monisha Chaudhary is Graduate in Commerce and a qualified Company Secretary by Profession and she has specialization in Corporate Laws and has around 2 years of experience in area of Corporate and Legal area.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from Ms. Monisha Chaudhary along with a deposit of Rs. 1,00,000/- proposing the her candidature for the office of Director, to be appointed as Director.

The Board commends the appointment of Ms. Monisha Chaudhary as director of the Company for your approval.

Except Ms. Monisha Chaudhary, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution except and to the extent that they are members of the Company.

**Item No. 6**

M/s V.K. Dube & Co., Cost Accountants has (FRN: 000343) been appointed as Cost Auditors of the Company by the Board in its meeting dated 4<sup>th</sup> May, 2015 to audit the cost records of the Company at a remuneration of Rs. 1,00,000/- (Rupees One Lac only). Further, Rule 14 of the Companies (Audit and Auditors) Rule, 2014 remuneration of the Cost Auditors requires the ratification of the shareholders.

Your approval is required for the ratification of remuneration to be paid to the Cost Auditor by way of Ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent that they are member of the Company.

**Item No. 7**

Mr Abhey Kumar Jain has been re-appointed as Whole Time Director of the Company for a period of 3 years by Board of Directors in its meeting held on 9<sup>th</sup> December, 2014 as his terms expired on the 9<sup>th</sup> December, 2014. His appointment has been effected from 10<sup>th</sup> December, 2014 and subject to the approval of members in the next general meeting.

Mr. Abhey Kumar Jain is entitled for remuneration within the permissible limits specified by the Act and is commensurate with his responsibilities of heading a Company of this size with its diversified business operations.

The draft terms and conditions of appointment of Mr. Jain are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the



Annual General Meeting or any adjournment thereof. An Ordinary Resolution in terms as set out in Item No. 7 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Mr Abhey Kumar Jain, being an appointee, none of the Directors, Manager or KMP(s) of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

**Item No. 8**

Mr Pradeep Kumar Jain was appointed as Managing Director of the Company for a period of 5 years with effect from 4<sup>th</sup> February, 2011 and his terms, as Managing Director, shall expire on 3<sup>rd</sup> February, 2016.

The Board of Directors of the Company in its meeting held on 13<sup>th</sup> August, 2015, subject to the approval of the members, approved the re-appointment of Mr. Pradeep Kumar Jain as Managing Director of the Company for a period of 3 years commencing from February 4, 2015.

Mr. Pradeep Kumar Jain is entitled for remuneration within the permissible limits specified by the Act and is commensurate with his responsibilities of heading a Company of this size with its diversified business operations.

The draft terms and conditions of appointment of Mr. Jain are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof. An Ordinary Resolution in terms as set out in Item No. 8 of the accompanying Notice is placed before the members in the Meeting for approval.

Except Mr Pradeep Kumar Jain, being an appointee, none of the Directors, Manager or KMP(s) of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

## **DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2015. The financial highlights for the year under review are given below:

### **FINANCIAL HIGHLIGHTS**

(Amount Rs. in lacs)

<b>Particulars</b>	<b>Financial Year ended 31st March, 2015</b>	<b>Financial Year ended 31st March, 2014</b>
Total Income	22392.26	21622.79
Total Expenditure	26983.06	24144.12
Profit /(Loss) before tax	-4590.80	-2521.33
Effect of Extra Ordinary Item (Change in Depreciation Method)	0.00	4033.96
Provision for tax	0.00	0.00
Income Tax for Earlier Years	1.20	22.15
Deferred Tax	0	-657.73
Profit after tax	-7331.87	-1885.75
Balance b/ f from Last Year	-6065.62	-4179.87
Effect due to application of Schedule II	-23.19	0.00
Balance Carried to Balance Sheet	-13420.69	-6065.62
Transfer to Reserve	0.00	0.00
Paid-up Share Capital	6260.19	6260.19
Reserves and Surplus (excluding revaluation reserve)	-9552.87	-2197.80
Earnings per share	-19.50	-5.02

### **REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIR**

#### **Year in Retrospect**

During the year under review, total income of the Company was Rs. 22392.26 Lacs as against Rs. 21622.79 Lacs in the previous year reflecting Y-O-Y growth of 3.44%. During the current reporting period, the Company has suffered a loss of Rs. 4590.80 lacs. Depreciation of Rs. 2479.92 Lacs and interest accrued of Rs. 3818.65 Lacs during the current year forced the company to suffer loss after tax of Rs. 73,31.87 Lacs.

The main reason for non-recovery of Depreciation and Interest in total are as under:

1. High Inflation rate faced by Indian economy.
2. Coal Price, Petroleum Products, Transportation Costs on Peak Levels.
3. Declining in hotel rooms and occupancy rates.
4. High Competition and low operating Margin.

The company is taking necessary steps to perform better in coming years.

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

#### **Segments**

##### **Paper Division**

We are pleased to inform to our stakeholders that, at present, the Company is manufacturing the following Products:

- a. Paper Board
- b. Newsprints

**Benefits of Manufacturing Paper Board**

1. Demand has been increased by reason of increase in the volume of packaged material by consumers.
2. As the plasting bags are hazardous for environment, hence, demand of Paper Board has also been increased.
3. Almost manufacturing are based on orders/ demands, hence, the risk of spoilage are less.
4. Less expenditure on stock/ inventory management.

**Benefits of Manufacturing Newsprints**

1. Demand for Newsprints paper is increased.
2. The realization of payment is better with less risk of bad debts.
3. Final Product is exempt from Excise Duty.

The Detail of Paper Board & Newsprints manufacture and sale during the Fiscal year 2013-14 and 2014-15 are as under:  
(In MT)

Particular	2014-15	2013-14
Production	71693	68723
Sale	71676	68727

**Hotel Division**

The Hotel Division started its operation w. e. f. 15-02-2009 under the Brand “Country Inn & Suites” and having “FIVE STAR” category with 216 Rooms. Due to increased room inventory and heavy competition in Delhi NCR; the Average Room Revenue has steeply decreased and resulting low EBITDA margin in Hotel Division.

**DIVIDEND**

As the Company has suffered losses during current year due to the increase in the raw material cost, increase in Petroleum products worldwide, increase in the Coal price by the Central Govt. declining in the occupancy and room rental in hotel division and increased rate of interest.

In view of the aforesaid facts, your Directors regret their inability to recommend any dividend for the financial year ended 31st March, 2015.

**DIRECTORS AND KMPs**

In accordance with the provisions of the Companies Act, 2013 and the Company’s Articles of Association, Mr. Praveen Kumar Jain and Mr. Shiv Pravesh Chaturvedi are liable to retire by rotation and being eligible offer themselves for re-appointment.

The brief resumes of the directors who are to be appointed/ re-appointed and have been appointed, the nature of their expertise in specific functional areas, names of companies in which they have held directorships, committee memberships/ chairmanships, their shareholdings etc. are furnished in Corporate Governance Report attached with this report.

**Appointment of Director on the Board**

Ms. Monisha Chaudhary has been appointed as the Additional Director of the Company as on 12<sup>th</sup> February, 2015 as per the provisions of the Companies Act. We seek your support and approval in confirming her appointment in the forthcoming Annual General Meeting.

**Appointment/ Change of Company Secretary**

Mr. Anant Prakash resigned from the post of Company Secretary w.e.f. 16<sup>th</sup> April, 2014. And the Company has appointed Ms. Monisha Chaudhary as Company Secretary of the Company w.e.f. 1<sup>st</sup> September, 2014 pursuant to Section 203 of the Companies Act.

**Appointment/ Change in Chief Financial Officer**

Mr. Sanjay Sharma had been appointed as Chief Financial Officer (CFO) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013. Further on 21<sup>st</sup> February, 2015, Mr. Sharma resigned from the post of CFO.

Again, Mr. Parmod Kumar Jain has been appointed as Chief Financial Officer (CFO) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 w.e.f. 21<sup>st</sup> February, 2015.

#### **Re-appointment of Whole-Time Director**

Board of Directors of the Company, in its meeting held on 9<sup>th</sup> December, 2014, re-appointed Mr. Abhey Kumar Jain as Whole Time Director for the term of 3 (three) years with effect from 10<sup>th</sup> December, 2014 as his previous term was expired on 9<sup>th</sup> December, 2014. We seek your support and approval in confirming his re-appointment in the forthcoming Annual General Meeting.

#### **Declaration by Independent Directors**

The Independent Directors have submitted their disclosures to the Board confirming that they fulfill all the requirements to qualify for their appointment as Independent Director under the provisions of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

#### **Board Evaluation**

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors pursuant to the provisions of the act and the corporate governance requirements as prescribed by Securities & Exchange Board of India (SEBI) under clause 49 of the Listing Agreement. The Company has devised an evaluation matrix for the performance evaluation and collate the evaluation results internally.

A meeting of Independent Director was held on 31<sup>st</sup> March, 2015 without the attendance of other directors (Non-Independent) to review the performance of Non-Independent Directors, the Board as a Whole, Chairman of the Company/ Meetings, to assess the flow of information between Company Management and the Board. It was noted that the Board is broad based, information is timely provided, decisions are taken after due deliberations, Board members are encouraged by the Chairman to participate and offer their independent advise based on their experience and act in the best interest of the company and its stakeholders.

#### **MATERIAL CHANGES**

After the end of financial year 2014-15 but before the date of signing of this Report, Punjab National Bank, Lead member of consortium lenders has withdraw the nomination of Mr. Bikash Narayan Mishra from the post of Nominee Director in the Company. And the Board has noted in its meeting dated 30<sup>th</sup> July, 2015 the cessation of Mr. Bikash Narayan Mishra.

#### **PUBLIC DEPOSITS**

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of Companies Act, 2013.

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

**A. Conservation of Energy:** Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is included in **Annexure I**.

**B. Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The Company is using indigenous technology, which is well established in the Country.

#### **C. Foreign exchange earnings and outgo:**

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

Total Import:	Paper	1525.50
	Hotel	Nil
Total Export:	Paper	Nil
	Hotel	Nil

**ii. Foreign Exchange Earnings and Outgo:**

(Amount in Rs. Lacs)

Total Foreign Exchange Inflow	648.98
Total Foreign Exchange outflow	33.47

**PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure II** to this Report.

The Company does not have any employees employed throughout the financial year and in receipt of remuneration of Rs.60 Lakh or more, or employed for part of the year and in receipt of Rs.5 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**HUMAN RESOURCE DEVELOPMENT**

The Company has been successful in building a performance oriented culture with high levels of engagement and empowerment in an environment of teamwork. The focus has been on creating reserves through cross functional and inter-disciplinary exposure at all levels to ensure redundancy and robustness in the organization. The morale of the team is at a high level.

**VIGIL MECHANISM**

A vigil mechanism of the Company which also includes a Whistle Blower Policy pursuant to Section 177(9) & 10 of Companies Act, 2013, has also been established and can be accessed on the Company website.

**AUDIT COMMITTEE**

The Audit Committee comprises Independent Directors namely Mr. Shri Krishan Jain (Chairman), Mr. Rakesh Garg, Mr. Naveen Jain as other members. All the recommendations made by the Audit Committee were accepted by the Board. Further details are included in the Corporate Governance Report.

**NOMINATION AND REMUNERATION COMMITTEE**

Details pertaining to composition of Nomination and Remuneration Committee are included in the Corporate Governance Report.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Details pertaining to composition of Stakeholders Relationship Committee are included in the Corporate Governance Report.

**MEETINGS OF THE BOARD**

The Board of Directors met at eight times on 26<sup>th</sup> Apr. 2014, 30<sup>th</sup> May 2014, 1<sup>st</sup> Aug. 2014, 13<sup>th</sup> Aug. 2014, 1<sup>st</sup> Sept. 2014, 13<sup>th</sup> Nov. 2014, 9<sup>th</sup> Dec. 2014 and 12<sup>th</sup> Feb. 2015 during the financial year 2014-15. Further details pertaining to composition of Nomination and Remuneration Committee are included in the Corporate Governance Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

No disclosure or reporting is required in respect of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 as there was no transaction under the above stated heads.

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Agreement.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website [www.magnumventures.in](http://www.magnumventures.in). The current and the future transactions are/ will be deemed to be 'material' in nature as defined in Clause 49(VII) of the Listing Agreement as they may exceed 10 per cent of the annual turnover of the Company based on future business projections. Thus, in terms

of Clause 49(VII)(E) of the Listing Agreement, these transactions would require the approval of the members by way of a Special Resolution.

### **RISK MANAGEMENT**

Your Company has established the Risk Management System to mitigate the risk faced by the Company in the ordinary course of business. In the opinion of the Board, there is no risk which may threaten the existence of the Company.

### **INTERNAL FINANCIAL CONTROL**

The Company has in place internal financial controls with reference to financial statements. However, during the year, it has come to know that there is no adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets, and with regard to the sale of goods as the Company was unable to collect their sale proceeds and also not able to recover their claims against their rejection in purchase of inventory. In this regard, the Company is in process to strengthen its internal control system upto a level that commensurate with the size of Company and nature of its business to overcome with the aforesaid problem

### **CORPORATE GOVERNANCE**

We believe that good and effective Corporate Governance is more of an organizational culture than a mere adherence to rules. Laws alone cannot bring changes and transformation and voluntary compliance both in form and in substance plays an important role in developing system of good Corporate Governance.

Good Corporate Governance and Risk Management frameworks put in place over the years ensure a value-driven approach, sound business practices, fundamentally strong control environment, strong information systems, effective early warning mechanisms and real-time response system.

The Company is in compliance of all mandatory requirement of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. For the year ended March 31, 2015, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Munish Kumar Sharma, Company Secretary in Practice on confirming compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges forms part of Report on Corporate Governance as **Annexure -III**.

### **AUDITORS AND AUDITORS' REPORT**

#### **Statutory Auditors**

At the Annual General Meeting held on 10<sup>th</sup> September, 2014, M/s Aggarwal & Rampal, Chartered Accountants (FRN: 003072N), were appointed as statutory auditors of the Company to hold office till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in year 2018. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Aggarwal & Rampal, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

The notes on financial statements referred to in the Auditor's report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark **except the following:**

#### **In Audit Report**

1. Debtors including Rs. 2348.49 lacs which are due for more than 6 months out of which debtors of Rs. 110.13.lacs are under litigation.
2. No provision has been made by the Company for outstanding claims receivable from its suppliers for Rs. 1394.88 lacs.
3. No provision has been made against zero coupon debentures issued by the Company to its lenders.
4. Balances of debtors and creditors are subject to confirmation.
5. The Company has shown Term loans and interest accrued on them as per their CDR Package. However, the CDR package is yet to be implemented.

#### **In CARO**

1. The Company has does not have adequate internal control system which does not commensurate with the size and nature of its business and it further needs to be strengthened.
2. The Accumulated losses at the end of the year are more than the Net worth of the Company.

3. A second Rework package was approved by CDR on 24<sup>th</sup> December, 2014. As per the CDR circular, the package should have been implemented within 120 days by all the banks without waiting for their individual approval. However, banks waited for the sanction of authorities and all documents were signed on 31<sup>st</sup> July, 2014.
4. The fixed assets are not revalued in the first five years subsequent to the date of revaluation.

### **COST AUDITORS**

Companies (Cost Records and Audit) Amendment Rules, 2014 mandates Paper Industry to get the audit of its cost records after a prescribed turnover of the product for the financial year commencing on or after 1<sup>st</sup> April, 2015. And the Company is required to get its cost record audited for the financial year 2015-16. M/s V.K. Dube & Co., Cost Accountants, is appointed as Cost Auditors of the Company to audit the cost records of the Company for financial year 2015-16.

Particulars of Cost Auditors' are mentioned below:

Name of the Cost Auditor's Firm	V.K. Dube & Co., Cost Accountants
Membership Number of Cost Auditor	00343
Address:	T II/206, Gulmohar Enclave, Nehru Nagar III, Ghaziabad, U.P.
E-mail id	<a href="mailto:vkdube.costaccountant@gmail.com">vkdube.costaccountant@gmail.com</a>

### **INTERNAL AUDITOR**

M/s B L Chakravarti & Associates, Chartered Accountants, is appointed as Internal Auditors of the Company.

Particulars of Internal Auditors' are mentioned below:

Name of the Internal Auditor's Firm	M/s B L Chakravarti & Associates, Chartered Accountants
Membership Number of Internal Auditor	401638
Address:	AAF 02, Shipra Krishna Azure, Kaushambi, Ghaziabad, U.P.- 201010
E-mail id	<a href="mailto:blchakravarti.associates@gmail.com">blchakravarti.associates@gmail.com</a>

### **SECRETARIAL AUDITOR**

The Board has appointed M/s Munish K Sharma & Associates, Company Secretaries to conduct the secretarial audit of the Company for financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed herewith marked as **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s Munish K Sharma & Associates Company Secretaries, as Secretarial Auditor of the Company for the financial year 2015-16.

Particulars of Secretarial Auditor's are mentioned below:

Name of the Secretarial Auditor's Firm	M/s Munish K Sharma & Associates, Company Secretaries
Membership Number of Secretarial Auditor	F-6031
Address:	AAF 14, Shipra Krishna Azure, Kaushambi, Ghaziabad, U.P.- 201010
E-mail id	<a href="mailto:munish_171@yahoo.com">munish_171@yahoo.com</a>

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of section 134(5) of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed and there is no material departure from the same;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31<sup>st</sup> March, 2015 and of the profit and loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **SIGNIFICANT & MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2014-2015, no complaints were received by the Company related to sexual harassment.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure V**.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is part of this report and attached as **Annexure VI**.

#### **STOCK EXCHANGE LISTING**

The shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The listing fee for the financial year 2015-16 has already been paid to the Bombay Stock Exchange and National Stock Exchange.

#### **ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY**

During the year, the Company enhanced its efforts to address Health, Safety and Environment matters. The Safety & Health of employees and external stakeholders are embedded in the core organizational values of the Company. The Health & Safety Policy aims to ensure safety of public employees, plant & equipment, ensure compliance with all statutory rules and regulations, imparting training to its employees, carrying out safety audits of its facilities, and promoting eco - friendly activities.

The Company continues to maintain excellent track record on safety. The site had no accidents during the year 2014-15. PEL also has a Committee for the safeguard of its workmen. This Committee meets at regular intervals to take measures for worker's protection in order to make the Company a safe place to work.

#### **ACKNOWLEDGEMENT**



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

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

Date: 13<sup>th</sup> August, 2015  
Place: Delhi

Sd/-  
**Pradeep Kumar Jain**  
Managing Director

Sd/-  
**Abhey Kumar Jain**  
Whole Time Director

**FORM A**  
(See Rule 2)

**Form for Disclosure of Particulars with respect to Conservation of Energy :**

**A. Power and fuel Consumption**

**1 Electricity**

	<b>Current Year (2014-15)</b>	<b>Previous Year (2013-14)</b>
<b>(a) Purchased</b>		
Unit	10590203	10380640
Total Amount	80796048	75968976
Rate/Unit	7.63	7.32
<b>(b) Own generation</b>		
<b>(i) Through Diesel Generator</b>		
Unit	464940	216000
Units per ltr. of diesel oil	3.00	3.00
Cost/Units	18.23	17.39
<b>(ii) Through steam turbine</b>		
Units	33692282	30198353
Units per kgs of Coal/Petcoke	1.18	1.12
Cost/Units	5.18	4.12

**2 Coal & Pet Coke (Used for production of Paper)**

<b>Particulars</b>		
Quantity	IN MT	39713.83
	IN	33824.959
Total Cost	LACS	3196.81
Average rate	IN MT	2830.78
		8049.61
		8368.92

**3 Furnance oil**

Quantity	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil

**4 Others /Internal generation (please give details)**

Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

**B. Cosumption per unit of production**

	<b>Current Year</b>	<b>Previous Year</b>
<b>Standars (if any)</b>	<b>1</b>	<b>2</b>
<b>Production</b>		
<b>Kg.</b>	<b>71692853</b>	<b>68711581</b>
Electricity (per Unit.)	0.62	0.68
Furnance oil	Nil	Nil
Coal & Pet Coke (Per kg.)	0.55	0.49
Others (Specify)	Nil	Nil

**Form B**  
(See Rule 2)

Form for discloser of particulars with respect to absorption  
Expenses on Research and Development  
Technology absorption ,adoption and innovation

- Nil  
- Nil

**Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,**

**PART-A**

- (i) **The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year;**

The following table shows the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year

S. No	Name of the Director	Remuneration	Median Remuneration	Ratio
1.	Mr. Pradeep Kumar Jain	Rs. 7,20,000 p.a	5,80,000	1.24
2.	Mr. Parmod Kumar Jain	Rs. 4,80,000	5,80,000	0.83
3.	Mr. Abhey Kumar Jain	Rs. 4,80,000	5,80,000	0.83
4.	Mr. Shiv Pravesh Chaturvedi	Rs. 6,00,000	5,80,000	1.03
5.	Ms. Monisha Chaudhary	Rs. 3,24,000	5,80,000	0.56

- (ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Due to the loss suffered by the Company in the recent years, the Company was not in a position to increase the remuneration payable to the directors. Moreover, the Company Secretary and Chief financial Officer were appointed during the current year only.

- (iii) **The percentage increase in the median remuneration of employees in the financial year;**  
There have been 11.73 percent increase in the median remuneration of employees during the financial year 2014-15.

- (iv) **The number of permanent employees on the rolls of the Company**  
The total number of employees on the rolls of the Company are as follow:

At the beginning of the year: 806

At the end of the year: 872

- (v) **The explanation on the relationship between average increase in remuneration and company performance**

The both the units of the Company- Paper and Hotel are trying to contribute to the utmost level to the growth of the Company. The paper unit produces newsprint and paperboard and has been growing its operations day by day. On the other hand, the Hotel owned by the Company by the name of "Country Inn & Suites", Sahibabad, East Delhi is the first ever vegetarian 5-Star Hotel in the vicinity which is its unique charm. In spite of that, due to the heavy interest burdens on the debts, the Company is suffering losses in the recent years. But the Company is also aware of the fact that its employees are one of the major factors of its growth and diversity. And in the recent environment of continuing inflation, the expectation of a minimal rise in salary is valid on the part of employees. Retaining the same trust towards its employees, the Company felt is to be reasonable to make an average increase of 11.73 percent in the salaries of its employees.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against performance of the Company**

The Company has a proper combination of talented individuals on its Board. The executive directors work diligently towards the growth and success of the Company while the non-executive and independent

directors are a great pool of knowledge to drive the Company towards a bright future. However, the current financial position of the Company does not allow it to pay a deserving remuneration to its executive directors. On the other hand, the non-executive directors are not in receipt of any remuneration for the financial year 2014-15.

- (vii) **variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies,**

Price Earning Ratio	Value
2014-15	-0.122
2013-14	-0.448

Due to the losses suffered by the company, it has faced a slight decrease in the market capitalisation.

- (viii) **average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentile increase in the salaries of employees during the financial year 2014-15 have been 11.73 percent. There have been no increase in the remuneration of managerial personnel pertaining to the weak financial condition of the Company.

- (ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company**

S. No.	Name of KMP	Remuneration	Comparison
1.	Mr. Pradeep Kumar Jain	Rs. 7,20,000 p.a	Being the Promoter and Managing Director of the Company, Mr. Pradeep Kumar Jain is being associated with the Company for past 30 years and played a vital role towards its growth. Thereby, the remuneration being paid to him is quiet justified.
2.	Mr. Parmod Kumar Jain	Rs. 4,80,000	He is from the promoter group and is holding the position of Director and Chief Financial Officer in the Company. The Companies financial progress is in the hands of Mr. Jain and inspite of lossess suffered, the Company manages to work as a going concern. Thereby, his remuneration is justifiable.
3.	Mr. Abhey Kumar Jain	Rs. 4,80,000	He is the Whole Time Director of the Company and is handling the operations of the paper unit and have a keen approach towards making the operations profitable in the coming years.
4.	Mr. Shiv Pravesh Chaturvedi	Rs. 6,00,000	Being MBA in Human Resources, he is associated with the paper factory business since last 20 years and is looking after the management of talent pool in the organisation.
5.	Ms. Monisha Chaudhary	Rs. 3,24,000	She is the Company Secretary and Woman Director on the Board of the Company and looking after all

			the compliances related to Companies Act and Listing Agreement which is mandatory on the part of the Company.
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(x) **the key parameters for any variable component of remuneration availed by the directors**

There is no such variable component provided by the Company to its Directors.

(xi) **the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Ratio: 720,000: 13,303,649= 0.054

(Xii) **The remuneration is as per the remuneration policy of the Company.**

**PART B**

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; **Not Applicable**

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; **Not Applicable**

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

**Following are the details of such employees**

S. No.	Name	Designation	Nature of Employment	Annual Net Earning	Qualification	Total Experience	Date of Joining	Last Employer
1	Munna Singh	Asstt. Manager (Tech)	Permanent	568000	B.Sc. & LL.B	20 Years	10/1/2004	M/s Chadda Paper Limited Bilaspur
2	Shiv Pravesh Chaturvedi	Factory Manager	Permanent	586400	B.A. & Dip in P.M.I. R.	22 Years	10/5/2005	M/s Kailashpati Paper Mills Limited Sikandrabad
3	Rajeev Kumar Chaturvedi	G.M. (Admin.)	Permanent	495538	B.Sc.	36 Years	12/1/2007	M/s RBBI Industries Limited
4	Juned Salamat Ali Khan	G.M. (Tech)	Permanent	597671	Dip in Mech.	35 Years	6/8/2011	M/s Centere Pulp & Paper Lalkuan Ghaziabad

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5	Anil Bana	G.M. (Tech)	Permanent	913591	B.Tech ., MBA	18 Years	2/1/2012	M/s Dalkia India Pvt. Limited Nehru Place N. Delhi
6	Rajesh Kumar Chaudhary	Vice President	Permanent	689237	B.Sc. (Pulp & Paper Tech.)	31 Years	9/24/201 2	M/s Pragti Paper Limited Punjab
7	Vijay Prakash Singh	Vice President	Permanent	904971	Inter + Dip in Electro nics	34 Years	12/21/20 12	M/s Balaji Paper & News Print Pvt. Limited
8	Durgesh Nandan Gaur	Sr. Manager DIP	Permanent	635220	B.Sc.+ PGD in Pulp	15 Years	4/15/201 3	M/s Balaji Paper Pvt. Limited
9	Dharmendra Singh	G.M	Permanent	836222	B.Sc.	21 Years	5/3/2013	M/s Krishna Tissues Kolkata
10	Abhay Kr.Pareek	Manager (Prod.)	Permanent	570012	Inter + Dip in chemic al Eng.	21 Years	5/17/201 3	M/s Bajaj Kagaz Limited Unnao
11	Sharafat Hussain	Sr. Manager	Permanent	635421	Inter + Diplo ma in Electro nics	15 Years	6/26/201 3	M/s Krishna Tissues Pvt. Limited Howrah (W.B.)
12	Harendra Singh	DGM PROD	Permanent	676199	Gradua te	28 Years	8/19/201 3	M/s Shree Krishna Paper (Rajasthan)
13	Rajendra Singh Bapna	President	Permanent	1048548	B.Tech . (Chem ical)	40 Years	1/13/201 4	M/s Garnett Speciality Paper Limited Vapi (Gujrat)
14	Hare Ram Gupta	Manager (Prod.)	Permanent	667607	B.Sc.	23 Years	1/27/201 4	M/s Saber Paper Limited Himachal Pradesh
15	Vipul Sharad	Director of Sales - Travel	Permanent	7,50,000	Hotel Manag ement	13.4	12/2/201 3	UNA Hotels Pvt. Ltd., New Delhi
16	Kamal Kant	Senior Manager - Banquet Sales	Permanent	5,47,200	B.A.	8.9	8/9/2010	Intercontinenta l Eros Nehru Place, New Delhi
17	Ashish Kumar Sinha	Associate Director - Tatva	Permanent	4,86,000	Hotel Manag ement	17.3	4/1/2009	Anant Raj Industrial Ltd.
18	Zafar Iqbal	Associate Director of Sales	Permanent	8,04,000	MBA	6.6	12/5/201 2	The Surya Hotel, New Delhi
19	Kamal Kant Saxena	Information Technology Manager	Permanent	5,10,000	MCA	23.1	5/28/201 2	Pride Park Premier, Gurgaon
20	Deepak Singh Rawat	Sales Manager	Permanent	5,76,000	Hotel Manag ement	9.2	6/9/2014	Inreach Hotel
21	Omkar Gupta	Chief Engineer	Permanent	13,20,000	Diplo ma in Mecha nical	23.5	2/14/201 4	The Lalit, New Delhi

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					Engine ring			
22	Rajnish Chopra	Manager - Information Technology	Permanent	6,60,240	Diplo ma in System Manag ement	19.2	7/16/201 4	Piccadilly Hotels Pvt. Ltd.
23	Vikas Kumar	Director - Food Production	Permanent	7,42,080	B.A.	17.8	12/14/20 09	Clarrion as Sous Chef
24	Dibyendra Narayan Ghosh	Senior Associate Director - F&B	Permanent	5,64,480	Hotel Manag ement	14.7	1/15/200 9	Bradburry's Quiet Waters
25	Satpal Singh Tanwar	Sales Manager	Permanent	5,52,000	Hotel Manag ement, MBA	7.9	9/26/201 4	United-21 Hotels & Resorts
26	Braja Kishore Biswal	Assistant Sales Manager	Permanent	4,80,000	Diplo ma in Hotel Manag ement, MBA	3.9	9/15/201 4	Mapple Group
27	Rajesh Kumar	Manager - Housekeepin g	Permanent	5,16,456	XII (H.P. Board)	10.5	12/15/20 08	Hotel Ramada Gurgoan
28	Rajendera Singh Chauhan	Director - Food & Beverage	Permanent	9,60,000	Diplo ma in Food & Bevera ge	25.8	10/10/20 14	Clarks Inn, Agra
29	Sanjay Kumar Sharma	Director - Banking	Permanent	5,81,160	ICWA I (Inter)	20.2	6/1/2013	Magnum Ventures Limited
30	Anupam Rana	Senior Sales Manager	Permanent	6,77,160	PGDM - Sales & Market ing	6.7	11/5/201 2	Siesta Hospitality Service Limited
31	Deepak Khanna	Laundry Manager	Permanent	5,65,620	Diplo ma in Busine ss Admin istratio n	9.9	9/20/201 0	Hotel Hilton, Janakpuri
32	Ashish Kumar Sinha	Associate Director	Permanent	4,86,000	Hotel Manag ement	17.7	12/8/201 4	Sarovar portico Suites, Vaisahali
33	Shefali Kathpalia Parashar	Senior Sales Manager	Permanent	8,40,000	MBA	11.6	12/22/20 14	Calson Rezidor Hotel Group
34	Neeraj Pal Singh Tomar	Executive Housekeeper	Permanent	9,73,740	PGD in Accom odatio n Manag ement	16.7	12/5/200 8	Crowne Palaza Today Gurgaon
35	Naresh Chandra Sharma	Director - Human Resources	Permanent	12,96,600	PGDB A + Dip. In	38.2	5/7/2009	AHA (Air Hostess Academy Pvt.

					HRD			Ltd.)
36	Ravinder Thakur	General Manager (Security & Operational Control)	Permanent	10,93,740	Graduation	28.1	7/1/2009	Radisson MBD Hotel, Noida
37	Rajiv Sharma	Manager - Travels	Permanent	5,35,056	Post Graduation in Tourism & Hotel Management	10.4	9/16/2009	International Travel House Ltd. as Unit Manager
38	Ajay Sharma	Director - Banquets Administration	Permanent	5,40,480	Hotel Management	14.8	11/2/2009	Metropolitan Hotel, New Delhi as Manager
39	Sushil Chugh	General Manager	Permanent	13,78,320	Hotel Management	35.7	11/26/2009	The Lalit, New Delhi
40	Amar Chandra Mandal	Senior Sous Chef	Permanent	5,66,880	10th	19.6	12/14/2009	The Hotel Lalit as Sous Chef
41	Sudesh Kumar Srivastava	Director - Purchase & Finance	Permanent	8,35,740	B.Com	25.6	12/15/2009	Magnum Ventures
42	Sukhpreet Kaur Bedi	Director - MICE & F&B Sales	Permanent	14,51,520	B.A.	20.4	3/8/2010	Imperial Hotel
43	Dharmendra Singh	Associate Director - Banquets Sales	Permanent	7,37,280	Hotel Management	11.3	4/8/2010	The Bristol as Asst. Mgr. Banquet Sales
44	Roopa Maini	Senior Manager - Banquet Sales	Permanent	6,10,020	B.A.	12.2	5/10/2010	The Clearmont Hotel
45	Sanjay Sinha	Director - Banquets Operations	Permanent	6,33,660	Hotel Management	25.2	5/17/2010	Ramoji Film City (RSO-Pune) as Asst. Sales Manager
46	Rajesh Kadyan	Director Sales - Corporate	Permanent	9,98,880	Hotel Management	9.1	7/12/2010	VCI Hospitality Ltd. New Delhi as Sales Manager
47	Krishan Chand	F&B Controller	Permanent	4,98,480	B.A.	22.0	7/24/2010	The Connaught
48	Nisha Rathi	Senior Sales Manager	Permanent	6,60,456	Master in Human Resource Management + Diploma in Hospitality and Tourism	10.0	8/2/2010	Swiss Foods Specialities (India) Pvt. Ltd. as Regional Sales Manager



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					Manag ement			
49	Sunil Rawat	Associate Director - 64/6	Permanent	5,59,020	Hotel Manag ement	24.2	11/8/201 0	Mosaic Hote, as Banquet Manager
50	R.K. Sharma	Director - Finance	Permanent	7,05,600	B.Com	21.7	11/19/20 10	Hotel Park Premier - Gurgaon as Manager - Finance
51	Nisar Ahmad	Kitchen Stewarding Manager	Permanent	523,596	B.Com	37.6	1/5/2011	The Metropolitan Hotel, New Delhi as KST Manager
52	Abhishek Sabherwal	Associate Director - Banquet Sales	Permanent	6,74,820	Hotel Manag ement	12.2	6/1/2011	Tivoli Garden Resort Hotel
53	Simon Gomes	Associate Director - Main Kitchen	Permanent	5,68,740	Gradua te + Craft Course from PUSA	31.8	10/10/20 11	Hotel Emporio Dwarka
54	Amit Pratap Singh	Revenue Manager	Permanent	6,62,880	B.Sc + PGD in Touris m Manag ement	9.2	6/4/2012	International Vacation.com
55	Sanjay Kumar Sharma	Fire & Safety Manager	Permanent	5,53,680	Gradua tion + Diplo ma in Fire & Safety	7.1	6/21/201 2	The Qutab Hotel & Apartment New Delhi
56	Manoj M Abraham	Manager - Banquet Sales	Permanent	6,88,020	B.Com	17.9	9/3/2012	The Imperial, New Delhi
57	Ankur Sharma	Senior Sales Manager	Permanent	7,24,740	Hotel Manag ement	8.7	11/5/201 2	Writer Corporation
58	Sonu Sharma	Front Office Manager	Permanent	8,89,068	Bachel or's Degree in Human ities	14.4	3/4/2013	Svelte - Personal Suites
59	Pankaj Kumar Sarkar	Manager Income & Credit	Permanent	5,22,300	B.Com	10.3	4/1/2013	Brook Hotels Ltd.
60	Dushyant Chandna	Assistant Front Office Manager	Permanent	5,20,020	Hotel Manag ement	8.9	9/2/2013	Old World Hospitality
61	Samar Goyal	Director of Sales - Corporate	Permanent	10,30,020	B. Sc in Hotel Manag	7.7	12/6/201 3	The Grand, New Delhi

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					ement			
62	Mandeep Surie	Vice President	Permanent	23,88,600	Hotel Management	22	1/2/2014	Radisson Greater Noida
63	Amit Kumar Tyagi	Senior Sales Manager	Permanent	7,15,440	Master in Tourism Management	13.4	3/14/2014	Rock Land Hotel Ltd
64	Ankur Mehrotra	Director of Sales - Travel	Permanent	7,96,080	Hotel Management	11.3	4/25/2014	Country Inn & Suites by Carlson, Gurgaon
65	Usha Jain	GM - Secretary	Permanent	6,00,000		11.1	7/1/2014	
66	Brajesh Kumar	Chief Engineer	Permanent	10,92,240	BE	21.0	8/20/2014	Lalit Hote, Chandigarh

**REPORT ON CORPORATE GOVERNANCE**

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

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers, other stakeholders and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

Magnum Ventures Limited ("the Company") strives to follow the best corporate governance practices, develop best policies/ guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. The Company is in compliance with the provisions of Corporate Governance specified in the Listing Agreement with the Bombay Stock Exchange Limited. The Company is committed to meet the expectations of stakeholders as a responsible corporate citizen. The Magnum Code of Conduct contains the fundamental principles and rules concerning ethical business conduct.

**2. BOARD OF DIRECTORS**

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Company has total 11 (eleven) directors on the Board as on 31st March, 2015. Mr. Pradeep Kumar Jain is the Managing Director of the Company and Mr. Abhey Jain is the Whole-Time Director of the Company.

Name of the Director & Designation	Category	No. of positions held in other public companies		
		Board	Committee	
			Membershi p	Chairmanshi p
Mr Pradeep Kumar Jain Managing Director	Executive & Promoter	Nil	Nil	Nil
Mr Abhey Kumar Jain Whole-Time Director	Executive & Promoter	Nil	Nil	Nil
Mr Parmod Kumar Jain Director	Non- Executive & Promoter	Nil	Nil	Nil
Mr Praveen Kumar Jain Director	Non-Executive & Promoter	Nil	Nil	Nil
Mr Subhash Oswal Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Shri Krishan Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Rakesh Garg Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Shiv Pravesh Chaturvedi*, Director	Executive	Nil	Nil	Nil
Ms. Monisha Chaudhary**, Additional Director	Executive	Nil	Nil	Nil
Mr. Naveen Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Bikash Narayan Mishra# Nominee Director	Nominee Director	1	Nil	Nil

\* Mr. Shiv Pravesh Chaturvedi is appointed as additional director w.e.f. 1<sup>st</sup> April, 2014 and subsequently appointed as director on 10<sup>th</sup> September, 2014.

\*\* Ms. Monisha Chaudhary is appointed as additional director w.e.f. 12<sup>th</sup> February, 2015.

### Directors' Attendance Record

During the Financial Year 2014-15, (8) eight meetings of the Board of Directors were held on 26.04.2014, 30.05.2014, 01.08.2014, 13.08.2014, 01.09.2014, 13.11.2014, 09.12.2014 and 12.02.2015. The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2014-15 are as under:

Sl. No.	Name of the Director	No. Of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
1	Mr Abhey Kumar Jain	8	8	Yes
2	Mr Pradeep Kumar Jain	8	8	Yes
3	Mr Parmod Kumar Jain	8	8	Yes
4	Mr Praveen Kumar Jain	8	1	No
5	Mr Subash Oswal	8	8	Yes
6	Mr Shri Krishan Jain	8	8	Yes
7	Mr Rakesh Garg	8	8	Yes
8	Mr Naveen Jain	8	8	Yes
9	Mr Shiv Pravesh Chaturvedi	8	8	No
10	Ms. Monisha Chaudhary#	8	1	N.A.
11	Mr Bikash Narayan Mishra*	8	1	No

\*Nominee Director

# Ms. Monisha Chaudhary is appointed as Additional Director in the Board Meeting held on 12<sup>th</sup> Feb. 2015 and she was present as Invitee and after appointment she was welcomed by the Board to attend the same Board Meeting.

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

The brief resume, experience and other details pertaining to the Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting (including those director(s) who have been appointed during the year under review) to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished below:

Particulars	Ms. Monisha Chaudhary	Mr. Praveen Kumar Jain	Mr. Shiv Pravesh Chaturvedi
DIN	07088210	00423833	06834388
Father's Name	Mr. Shankar Kumar Chaudhary	Mr. Salek Chand Jain	Mr. Hari Shankar Chaturvedi
Date of Birth	26-02-1991	16-02-1962	01-01-1975
Address	92-C, Shipra Suncity, Indirapuram, Ghaziabad	113/3, Ansari Road, Darya Ganj, New Delhi-110002	C-1103, Arunima Palace, Sector-4, Vasundhara, Ghaziabad-201012
Designation	Additional Director	Director	Director
Education	B.Com(Honours) from Delhi University, Company Secretary	B. Com from Delhi University	MBA
Experience	2 Years	35 Years	20 Years
Companies in which holds Directorship	Nil	Nil	Nil
Companies in which holds membership of Committees	Nil	Nil	Nil
Shareholding in the Company (No. & %)	Nil	<u>Equity Shares:</u> No.: 1,66,48,510 % age: 44.28%  <u>Pref. Shares:</u>	

		No.: 25,00,000 %age: 100%	Nil
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### **3. AUDIT COMMITTEE**

#### ***Powers***

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### ***Terms of Reference***

The Audit Committee has been entrusted with the job of reviewing the reports of the Internal Auditors and the Statutory Auditors periodically and discussing their findings and suggesting corrective measures. The role of the Audit Committee is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for the appointment, remuneration and terms of appointment of the auditor.
- Approval of payment to statutory Auditors for any other services rendered by the statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :
  - a. Matters required being included in the Directors Responsibility Statements 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 judgement 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.
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer 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 to take up steps in this matter.
- Reviewing and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 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.
- Discussing with Internal Auditors any significant findings and follow up thereon.
- 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.
- Discussing 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.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### ***Review of information by Audit Committee***

The Audit Committee reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal auditors reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### **(b) Composition**

The Committee was last reconstituted on 15th February, 2010.

The Audit Committee comprises three Directors with the Chairman, being an independent director, with expertise in financial and accounting areas.

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

Ms. Monisha Chaudhary, Company Secretary, acts as the Secretary to the Audit Committee.

### **(c) Attendance**

The Committee met four (4) times during the Financial Year 2014-2015 on the following dates: 30.05.2014, 13.08.2014, 13.11.2014 and 12.02.2015. Details of attendance of Directors in the Audit Committee meetings are as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Attendance at the Audit Committee Meeting</b>
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	4
Mr. Rakesh Garg, Member	Non-Executive Independent Director	4
Mr. Naveen Jain	Non-Executive Independent Director	4

## **4. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **(i) Terms of Reference**

In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an “Stakeholders Relationship Committee” (Previously known as Investor’s Grievances Committee) to look into redressing the shareholders and investors’ and other security holders complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.

### **(ii) Composition**

The Investors’ Grievance Committee comprised of the following directors:

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

Ms. Monisha Chaudhary, Company Secretary, as the Secretary to the Stakeholders Relationship Committee.

(iii) Ms. Monisha Chaudhary, Company Secretary of the Company is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) Details of investor/ security holder complaints received and redressed during the year 2014-15 are as follows:

<b>Opening Balance</b>	<b>Received during the year</b>	<b>Resolved during the year</b>	<b>Closing Balance</b>
Nil	Nil	Nil	Nil

**(v) Attendance**

The Committee met four (4) times during the Financial Year 2014-15 on the following dates: 28.05.2014, 12.08.2014, 12.11.2014 and 11.02.2015. Details of attendance of Directors in the Investors' Grievance Committee meeting are as under:

Name of the Director	Category	Attendance at the Investor Grievances Committee Meeting
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	4
Mr. Rakesh Garg, Member	Non-Executive Independent Director	4
Mr. Naveen Jain, Member	Non-Executive Independent Director	4

The Company put utmost priority to the satisfaction of its shareholders, which is evident from the fact that there was no complaint received by the Company. The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/issues have been resolved expeditiously, except in case of dispute over facts.

**5. NOMINATION & REMUNERATION COMMITTEE**

**(a) Terms of Reference**

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

**(b) Composition**

The Committee was last reconstituted on 15th February, 2010. The Remuneration Committee consists of three Directors, all of them being non-executive and independent directors.

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

Ms. Monisha Chaudhary, Company Secretary, acts as the Secretary to the Nomination and Remuneration Committee

**(c) Attendance**

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

The Committee met two (2) times during the Financial Year 2014-2015 on the following dates: 27.05.2014 and 09.12.2015. Details of attendance of Directors in the Nomination & Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	2
Mr. Rakesh Garg, Member	Non-Executive Independent Director	2
Mr. Naveen Jain, Member	Non-Executive Independent Director	2

**(d) Remuneration Policy of the Company**

The Managing Director and Executive Directors of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 2013. Mr. Pradeep Kumar Jain, Managing Director, Mr. Abhey Kumar Jain, Whole Time Director and Mr. Pramod Kumar Jain, Chief Financial Officer and Director, Mr. Shiv Pravesh Chaturvedi, Executive Director and Ms. Monisha Chaudhary, Company Secretary and Additional Director of the Company have received remuneration for the financial year 2014-15. No sitting fees were paid to the Non-Executive Directors for attending Board and Committee meetings.

**(e) Details of the Directors' Remuneration for the financial year ended 31st March, 2015**

**Magnum Ventures Limited**  
(Formerly known as Magnum Papers Limited)

Name of Director	Salaries & Perquisites (in Rs.)	Commission, Bonus Ex-gratia (in Rs.)	Sitting Fees (in Rupees)	Total Amount (in Rs.)	No. of Equity Shares held & %
Mr. Abhey Kumar Jain Whole-Time Director	4,80,000	Nil	Nil	Nil	302600 (0.80%)
Mr. Pradeep Kumar Jain Managing Director	7,20,000	Nil	Nil	Nil	200650 (0.53%)
Mr. Parmod Kumar Jain Director	4,80,000	Nil	Nil	Nil	200150 (0.53%)
Mr. Praveen Kumar Jain Director	Nil	Nil	Nil	Nil	16648510 (44.27%)
Mr. Shiv Pravesh Chaturvedi Director	6,00,000	Nil	Nil	Nil	NIL
Ms. Monisha Chaudhary Director	3,24,000	Nil	Nil	Nil	NIL
Mr. Subash Oswal Director	Nil	Nil	Nil	Nil	NIL
Mr. Shri Krishan Jain Director	Nil	Nil	Nil	Nil	NIL
Mr. Rakesh Garg Director	Nil	Nil	Nil	Nil	NIL
Mr. Naveen Jain Director	Nil	Nil	Nil	Nil	NIL
Mr. Bikash Narayan Mishra Nominee Director	Nil	Nil	Nil	Nil	NIL

## 6. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2012	27.09.2012	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	03:00 P.M.	0
2013	13.08.2013	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	03:00P.M.	4
2014	10.09.2014	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	11:00 AM	2

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2012	27.09.2012	NIL



2013	13.08.2013	<ul style="list-style-type: none"> <li>Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Vinod Kumar Jain as the President of the Company.</li> <li>Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Ritesh Jain as the Vice- President of the Company.</li> <li>Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Rishab Jain as the Vice-President of the Company.</li> <li>Approval of the members pursuant to the provisions of the Section 198, 309, 310, 314 of the Companies Act, 1956 for the appointment of Mr. Pramod Kumar Jain as the Director-Sales &amp; Marketing of the Company.</li> </ul>
2014	10.09.2014	<ul style="list-style-type: none"> <li>Approval to Board for borrowing any sums of money from time to time from any one or more persons, firms, body corporate, etc.</li> <li>Approval to Board for mortgage, hypothecate, pledge, charge or encumber moveable or immoveable properties of the Company.</li> </ul>

## **7. DISCLOSURES**

### **(a) Related Party Transactions**

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

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

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

### **(c) Non mandatory requirements**

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

## **8. CODE OF CONDUCT**

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

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

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company i.e., [www.magnumventures.in](http://www.magnumventures.in) It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-  
**Pradeep Kumar Jain**  
Managing Director

## **9. MEANS OF COMMUNICATION**

(a) At present quarterly/ half-yearly reports are not being sent to each of shareholders.

(b) The Quarterly / half-yearly / annual results are published in The Financial Express (English) and Jansatta (Hindi) Newspapers.

—and displayed on Company's website: [www.magnumventures.in](http://www.magnumventures.in)

(c) The Management Discussion and Analysis forms a part of the Annual Report

## **10. GENERAL SHAREHOLDERS INFORMATION**

### **i) Annual General Meeting**

Day & Date	Time	Venue
Friday, 25 <sup>th</sup> September, 2015	11:00 A.M.	Galib Institute, AIWAN-E GALIB MARG, New Delhi-110002

**ii) Financial Calendar**

Event	Tentative Time Frame
Financial Reporting for the 1 <sup>st</sup> quarter ended 30 <sup>th</sup> June, 2015	1 <sup>st</sup> week of August, 2015
Financial Reporting for the 2 <sup>nd</sup> quarter ended 30 <sup>th</sup> September, 2015	1 <sup>st</sup> week of November, 2015
Financial Reporting for the 3 <sup>rd</sup> quarter ended 31 <sup>st</sup> December, 2015	1 <sup>st</sup> week of February, 2016
Financial Reporting for the 4 <sup>th</sup> quarter ended 31 <sup>st</sup> March, 2016	Third week of May, 2016

**iii) Dates of Book Closure:** 19<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2015 (Both days inclusive)

**iv) Dividend Payment Date:** Not Applicable

**v) Listing on Stock Exchanges:** Shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange.

**vi) Stock Code/ Symbol:** 532896 at the Bombay Stock Exchange

MAGNUM at the National Stock Exchange

**vii) Market Price Data:** High/ low of market price of the Company's equity shares traded on BSE during the last financial year were as follows:

Month	High	Low	Volume
April 2014	2.35	2.05	55476
May 2014	2.66	2.03	1,82,469
June 2014	3.48	2.28	1,49,506
July 2014	4.53	3.15	1,00,074
August 2014	4.35	3.20	77,141
September 2014	4.55	3.10	92,699
October 2014	4.89	3.15	1,22,623
November 2014	5.08	3.30	70,324
December 2014	3.67	2.64	82,086
January 2015	3.62	2.80	1,40,579
February 2015	3.80	2.75	93,743
March 2015	3.55	2.38	99,298

Source: [www.bseindia.com](http://www.bseindia.com)

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

Month	High	Low	Volume
April 2014	2.35	2.15	10,491
May 2014	2.60	2.10	48,931
June 2014	3.30	2.40	48981
July 2014	4.45	3.15	87,134
August 2014	4.10	3.40	88,130
September 2014	4.60	3.20	159111
October 2014	4.90	3.05	117085
November 2014	5	3.35	78,657

December 2014	3.60	2.85	87049
January 2015	3.50	2.75	34402
February 2015	3.60	2.55	52205
March 2015	3.50	2.10	160129

Source: [www.nseindia.com](http://www.nseindia.com)

**viii) Registrar and Share Transfer Agent & Share Transfer System**

**M/s Mas Services Limited** is acting as Registrar & Transfer Agent (RTA) for handling the Shares related matters, both in physical as well as dematerialized mode. All works relating to Equity Shares are being done by RTA. The Shareholders are, therefore, advised to send all their correspondence to the RTA.

However, for the convenience of shareholders, documents relating to Shares received by the Company are forwarded to the RTA for necessary action thereon.

Particulars	M/s Mas Services Limited
Contact Person	Mr Shrawan Mangla
Address	T-34, 2nd Floor, Okhla Industrial Area Phase - II, New Delhi - 110 020
Telephone No.	011-26387281/81/83
Fax No.	011-26387384
E mail	<a href="mailto:info@masserv.com">info@masserv.com</a>

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

**ix) Distribution of Shareholding as on 31st March 2015:**

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% in Total
(1)		(2)	(3)	(4)	(5)
Up to 5,000		8559	69.904	18250860	4.854
5,001	10,000	1726	14.097	15196120	4.041
10,001	20,000	860	7.024	13771810	2.544
20,001	30,000	361	2.948	9567540	2.611
30,001	40,000	154	1.258	5623470	1.496
40,001	50,000	162	1.323	7759630	2.064
50,001	1,00,000	217	1.772	16515680	4.392
1,00,001 and above		205	1.674	289333730	76.947

<b>Total</b>	<b>12244</b>	<b>100</b>	<b>376018840</b>	<b>100</b>
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**x) De-materialization of shares and liquidity:** As on 31st March, 2015 about 100% of the Company's equity shares had been dematerialized except 9 equity shares (not belonging to promoters). Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in de-mat mode.

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

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

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

**Hotel Unit:** 64/6  
Site-IV, Industrial Area,  
Sahibabad, Ghaziabad 201 010  
Uttar Pradesh

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

**Corporate Office:**

Magnum Ventures Limited  
Plot No. 18/31,  
Site-IV, Industrial Area,  
Sahibabad, Ghaziabad 201 010  
Uttar Pradesh  
Phone: 0120- 4199200 (100 lines)  
Fax: 0120- 4199234  
e-mail: magnumventures@gmail.com

**11. Compliance with Non-Mandatory Requirements of Clause 49 of the Listing Agreement**

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

**CEO/CFO CERTIFICATION**

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 13<sup>th</sup> August, 2015  
Place: Delhi

Sd/-  
**Pradeep Kumar Jain**  
Managing Director

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To,**  
**The Members of**  
**Magnum Ventures Limited**

We have examined the compliance of conditions of Corporate Governance by Magnum Ventures Limited ('The Company') for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

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

**For Munish K Sharma & Associates**  
**Company Secretaries**

Date: 1<sup>st</sup> August, 2015  
Place: Ghaziabad, U.P.

Sd/-  
**Munish Kumar Sharma**  
Company Secretary  
FCS: 6031 CP: 6460

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
**MAGNUM VENTURES LIMITED**  
(CIN: L21093DL1980PLC010492)  
685, Chitla Gate, Chawri Bazar  
Delhi-110006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAGNUM VENTURES LIMITED (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MAGNUM VENTURES LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (vi) Apprenticeship Act, 1961
  - (vii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
  - (viii) Employee State Insurance Act, 1948
  - (ix) The Equal Remuneration Act, 1976
  - (x) The Payment of Gratuity Act, 1972
  - (xi) The Minimum Wages Act, 1948

- (xii) The Payment of Wages Act, 1936
- (xiii) Industrial Employment (Standing Orders) Act, 1946
- (xiv) Factories Act, 1948
- (xv) Environmental Laws
- (xvi) Service Tax Act, 1994
- (xvii) Income Tax Act, 1961
- (xviii) The Maternity Benefit Act, 1961
- (xix) Excise Act, 1944
- (xx) Customs Act, 1962
- (xxi) Central Sales Tax & State VAT
- (xxii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (xxiii) The Contract Labour (Regulation and Abolition) Act, 1970
- (xxiv) The Payment of Bonus Act, 1965
- (xxv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- (xxvi) Luxury Tax Act
- (xxvii) The Boilers Act, 1923

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except to the extent as mentioned below:*

***1. The Company has not placed the notice for closure of Register of Members on its website as mentioned in Rule 10 of Companies (Management & Administration) Rules, 2014. However, the responsible officer of the Company has explained that 'Closure of Register of Members' notice was published in the newspapers as well as on the website as a part of its Notice of 35<sup>th</sup> AGM and 35<sup>th</sup> Annual Report. Further, this was intimated to all the Stock Exchanges and RTA. It is noted that the Notice of 'Closure of register of Members' will be published separately on the website and newspaper.***

***2. Company has issued Secured Debentures to the six banks (Consortium of Lenders) worth Rs. 3412.14 Lacs on 31<sup>st</sup> March, 2014. However, the charge on such secured debentures has not been registered with the Registrar of Companies till now. However, the responsible officer of the Company has explained that the charge is not required to be registered with Registrar of Companies as the Debentures were issued as one of the stipulations of CDR Rework Package which is not implemented by Banks, hence, these debentures are to be cancelled.***

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, *except one Board Meeting dated 13.08.2014 was called after given shorter notice to the Stock Exchange and all directors. However, the responsible officer of the Company explained that the notice for short*

*period was given to hold Board Meeting dated 13.08.2014 due to non-availability of Company Secretary. All the directors present at the meeting have given their consent in this regard.* Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Munish K. Sharma & Associates**  
*Company Secretaries*

**Munish Kumar Sharma**  
**Company Secretary**  
M. No.: F6031  
C.P. No. 6460

Date: 2<sup>nd</sup> August, 2015  
Place: Kaushambi, GZB, UP.

**Note:** *This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.*



To,  
The Members,  
**MAGNUM VENTURES LIMITED**  
(CIN: L21093DL1980PLC010492)  
685, Chitla Gate, Chawri Bazar  
Delhi-110006

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Munish K. Sharma & Associates**  
*Company Secretaries*

Sd/-  
**Munish Kumar Sharma**  
**Company Secretary**  
M. No.: F6031  
C.P. No. 6460

Date: 2<sup>nd</sup> August, 2015  
Place: Kaushambi, GZB, UP.

Form MGT-9									
EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 <sup>st</sup> March, 2015									
<i>[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]</i>									
<b>I. REGISTRATION AND OTHER DETAILS</b>									
i)	CIN:-	L21093DL1980PLC010492							
ii)	Registration Date	29/05/1980							
iii)	Name of the Company	MAGNUM VENTURES LIMITED							
iv)	Category / Sub-Category of the Company	Public Limited Company							
v)	Address of the Registered office and contact details	685, Chitla Gate, Chawri Bazar, Delhi-110006.  Tel. : 91-0120-4551 138 Fax : 91-0120-4155 141							
vi)	Whether listed company	Yes							
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited T-34, Okhla Industrial Area, Phase-II, New Delhi-110 020 Ph: 011-26387281/82/83 Email: <a href="mailto:Info@masserv.com">Info@masserv.com</a> Website: <a href="http://www.masserv.com">www.masserv.com</a>							
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>					1. Paper board and Newsprint Manufacturing  2. Hotel				
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sl. No.	Name and Description of main products / services				NIC Code of the Product/ service		% to total turnover of the company		
1	Paper board				17021		44.37		
2	Newsprint				17012		40		
3	Hotel				55101		15.62		
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>							Not applicable		
<b>IV.</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>								
<i>i) Category-wise Share Holding</i>									

**Magnum Ventures Limited**  
(Formerly known as Magnum Papers Limited)

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a)	Individual/ HUF	19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt (s)	0	0	0	0	0	00	0	00	0
d)	Bodies Corp.	0	0	0	00	0	00	00	00	0
e)	Banks/ FI	0	0	0	0	00	0	0	00	0
f)	Any Other....	0	0	00	00	0	00	000	0	0
<b>Sub-total (A) (1):-</b>		19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
<b>(2) Foreign</b>										
a)	NRI's - Individuals	0	0	0	0	0	00	0	0	0
b)	Other - Individuals	0	0	00	0	00	0	000	00	0
c)	Bodies Corp.	0	0	0	00	0	00	00	0	00
d)	Banks / FI	0	00	0	00	00	00	00	00	0
e)	Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>		0	0	0	0	00	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
<b>B. Public Shareholding</b>										
1.										

**Magnum Ventures Limited**  
(Formerly known as Magnum Papers Limited)

<b>Institutions</b>										
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	00	0	0	0	0	0	0
e)	Venture Capital Funds	0	00	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FII's	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	00	00	0	0	0	0
i)	Others (specify)	0	0	0	0	00	0	00	0	0
<b>Sub-total (B)(1):-</b>	0	0	00	0	00	00	00	0	0	0
<b>2. Non-Institutions</b>										
a)	Bodies Corp.									
	i) Indian	2950800	0	2950800	7.85	2663405	0	2663405	7.083	
	ii) Overseas									
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8545004	9	8545013	22.72	8155141	9	8155132	21.688	
	ii) Individual shareholders holding nominal share capital	5713874	0	5713874	15.20	6318053	0	6318053	16.802	

	in excess of Rs 1 lakh									
c)	Others (specify)	431497	0	431497	1.15	504585	0	504585	1.342	
<b>Sub-total (B)(2):</b>		37601875	0	37601884	46.92	17641175	9	17641184	46.915	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>		37601875	0	37601884	46.92	17641175	9	17641184	46.915	
C. Shares held by Custodian for GDRs & ADRs		<b>Not Applicable</b>								
<b>Grand Total (A+B+C)</b>		37601875	9	37601884	100	37601875	9	37601884	100	
<b>ii) Shareholding of Promoters</b>										
Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year		
		No. Of Shares	% of total Shares of the Company	% of Shares Pledge d/ encum bered to total shares	No. Of Shares	% of total Shares of the Compa ny	% of Shares Pledged/ encumbe red to total shares			
1	PRADEEP KUMAR JAIN (HUF)	150100	0.399	0	150100	0.399	0	0		
2	RITA JAIN	178200	0.474	0	178200	0.474	0	0		
3	VEENA JAIN	385000	1.024	0	385000	1.024	0	0		
4	MONIKA JAIN	256600	0.682	0	256600	0.682	0	0		
5	ABHEY KUMAR JAIN	302600	0.805	0	302600	0.805	0	0		
6	PRADEEP KUMAR JAIN	200650	0.534	0	200650	0.534	0	0		
7	ASHA JAIN	176100	0.468	0	176100	0.468	0	0		
8	SALEK CHAND JAIN	175740	0.467	0	175740	0.467	0	0		
9	VINOD KUMAR JAIN	456850	1.215	0	456850	1.215	0	0		

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10	PRAVEEN KUMAR JAIN		16648510	44.276	13972490	16648510	44.276	13972490	0	
11	VINOD KUMAR JAIN (HUF).		400100	1.064	0	400100	1.064	0	0	
12	PARMOD KUMAR JAIN (HUF).		430100	1.144	0	430100	1.144	0	0	
13	PARMOD KUMAR JAIN		200150	0.532	0	200150	0.532	0	0	
	Total									
iii) Change in Promoter's Shareholding			NOT APPLICABLE							
Sl. No.							Shareholding at the beginning of the year		Cumulative Shareholding during the year	
							No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year									
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)									
	At the end of the year									
iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters, and Holders of GDRs and ADRs)										
Sl. No.	For Each of the Top 10 Shareholders					Shareholding at the beginning of the year		Cumulative Shareholding during the year		
						No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	
1.	At the beginning of the year (Mr. Amit Jain)					134000	0.35	0	-	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)					0	-	0	-	
	At the End of the year ( or on the date of separation, if separated during the year)					134000	0.35	-	-	
2.	At the beginning of the year (Mr. Neetish Ramniklal Doshi)					100000	0.26	0	-	

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	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0	-	0	-
	At the End of the year ( or on the date of separation, if separated during the year)			100000	0.26	0	-
3.	At the beginning of the year ( <b>Mr. Manesh Jose</b> )			176755	0.47007	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	Date	Sold	Buy				
	5/2/2014	20		176735	0.47007		
	5/9/2014		510	177245	0.471373		
	6/6/2014		10	177255	0.471399		
	6/13/2014		90	177345	0.471639		
	6/20/2014		11921	189266	0.503342		
	6/27/2014		95	189361	0.503594		
	6/30/2014		5	189366	0.503608		
	7/11/2014		11610	200976	0.534484		
	7/18/2014		7662	208638	0.55486		
	7/25/2014		13517	222155	0.590808		
	7/31/2014		5998	228153	0.606759		
	8/1/2014		1800	229953	0.611546		
	8/8/2014		11609	241562	0.64242		
	8/15/2014		2295	243857	0.648523		
	8/22/2014		20	243877	0.648577		
	9/10/2014	300		243577	0.647779		
	9/12/2014		330	243907	0.648656		

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	9/19/2014		235	244142	0.649281		
	9/30/2014		1940	246082	0.654441		
	10/3/2014		12	246094	0.654473		
	10/10/2014		5	246099	0.654486		
	10/17/2014		3606	249705	0.664076		
	10/24/2014		1174	250879	0.667198		
	10/31/2014	38507		212372	0.564791		
	11/7/2014		12711	225083	0.598595		
	11/14/2014		25979	251062	0.667685		
	11/28/2014		90	251152	0.667924		
	12/5/2014		10	251162	0.667951		
	12/12/2014		10680	261842	0.696353		
	12/19/2014		800	262642	0.698481		
	12/26/2014		30	262672	0.698561		
	1/16/2015		80	262752	0.698773		
	2/6/2015		9	262761	0.698797		
	At the End of the year ( or on the date of separation, if separated during the year)			273079	0.726237547	0	0.726238
4.	At the beginning of the year ( <b>Mr. Mahendra Girdharilal</b> )			98049	0.260755552	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	At the End of the year ( or on the date of separation, if separated during the year)			98049	0.260755552	0	
5.	At the beginning of the year ( <b>SAFFRON HOME DEVELOPERS PRIVATE LIMITED</b> )			1353393	0.748769929	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	At the End of the year ( or on the date of separation, if separated during the year)			1353393	0.748769929	0	
6.	At the beginning of the year ( <b>STEP TWO CORPORATION</b> )			155000	0.754344915	0	



	<b>LIMITED)</b>						
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	At the End of the year ( or on the date of separation, if separated during the year)			155000	0.754344915	0	
7.	At the beginning of the year <b>(SURABHI JAIN)</b>			403617	0.771069875	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	At the End of the year ( or on the date of separation, if separated during the year)			403617	0.771069875	0	
8.	At the beginning of the year <b>(TARA CHAND JAIN)</b>			915182	0.787794835	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	<b>Date</b>	<b>Sold</b>	<b>Buy</b>				
	4/10/2015		3667	918849	0.810094781		
	4/11/2015	2000		916849	0.810094781		
	At the End of the year ( or on the date of separation, if separated during the year)			916849	0.815669768	0	
9.	At the beginning of the year <b>(KANISHKA JAIN)</b>			193590	0.826819741	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0		0	
	At the End of the year ( or on the date of separation, if separated during the year)			193590	0.826819741	0	
10.	At the beginning of the year <b>(ITARSI OILS AND FLOURS LIMITED)</b>			101100	0.843544701	0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			0	0	0	

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	At the End of the year ( or on the date of separation, if separated during the year)	101100	0.843544701	0	
v) Shareholding of Directors and Key Managerial Personnel:					
Sl. No.	For Each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	At the beginning of the year <b>(Mr. Pradeep Kumar Jain)</b>	200650	0.534	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	200650	0.534	-	-
2.	At the beginning of the year <b>(Mr. Praveen Kumar Jain)</b>	16648510	44.276	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	16648510	44.276	-	-
3.	At the beginning of the year <b>(Mr. Parmod Kumar Jain)</b>	200150	0.532	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	200150	0.532	-	-
4.	At the beginning of the year <b>(Mr. Abhey Kumar Jain)</b>	302600	0.805	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	--
	At the End of the year ( or on the date of separation, if separated during the year)	302600	0.805	-	-
<b>V. INDEBTNESS</b>					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

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<b>Indebtedness at the beginning of the financial year</b>									
i) Principal Amount		3,11,61,11,247.85	21,27,74,43 6.24	0.00				3,32,88,85,684.05	
ii) Interest due but not paid		5,11,32,000.74	0.00	0.00				5,11,32,000.74	
iii) Interest accrued but not due		0.00	0.00	0.00				0.00	
<b>Total (i+ii+iii)</b>		3,16,72,43,248.59	21,27,74,43 6.24	0.00				3,38,00,17,684.79	
<b>Change in Indebtedness during the financial year</b>									
Addition		15,40,48,907.54	3,39,35,220 .00	0.00				18,79,84,127.58	
Reduction		0.00	0.00	0.00				0.00	
<b>Net Change</b>		15,40,48,907.54	3,39,35,220 .00	0.00				18,79,84,127.58	
<b>Indebtedness at the end of the financial year</b>									
i) Principal Amount		3,22,28,07,690.02	24,67,09,65 6.24	Nil				3,46,95,17,346.26	
ii) Interest due but not paid		9,84,84,466.11	0.00	Nil				9,84,84,466.11	
iii) Interest accrued but not due		0.00	0.00	Nil				0.00	
<b>Total (i+ii+iii)</b>		3,32,12,92,156.13	24,67,09,6 56.24					35,68,001,812.37	
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>									
<i>A. Remuneration to Managing Director, Whole-Time Directors and/ or Manager</i>									
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount		
		Pardeep Kumar Jain (MD)	Abhey Jain (WTD)	---	---	----			
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	4,80,000				12,00,000		
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0	0						

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0				
2	Stock Option	0	0				
3	Sweat Equity	0	0				
4	Commission	0	0				
	- as % of profit	0	0				
	- others, specify...	0	0				
5	Others, please specify	0	0				
	Total (A)	7,20,000	4,80,000				12,00,000
	Ceiling as per the Act						

*B. Remuneration to other directors*

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager					Total Amount
		----	----	---	---	----	
3	Independent Directors	0	0 0	0 0	0 0	0	0
	Fees for attending board/ committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>						
4	Other Non-Executive Directors	0	0	0	0	0	0
	Fees for attending board/ committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (2)</b>	0	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	0	0	0	0	0	0
	<b>Total Managerial Remuneration</b>	0	0	0	0	0	0
	<b>Overall Ceiling as per Act</b>						

*C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD*

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
---------	-----------------------------	--------------------------	--	--	--	--	--------------

		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,54,000	4,80,000	7,20,000
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission		0	0	0
	- as % of profit		0	0	0
	- others, specify...		0	0	0
5	Others, please specify		0	0	0
<b>VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES</b>					
<b>Type</b>	<b>Section of Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty/ Punishment/ Compounding fees imposed</b>	<b>Authority [RD/ NCLT/ COURT]</b>	<b>Appeal made, if any (give Details)</b>
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>		No Officer of the Company is in default.		

**Management Discussion and Analysis Report**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**CAUTIONARY STATEMENT:**

Management's Discussion and Analysis Report contains forward looking statements based on the certain assumptions and expectations of future events and the Company cannot assure that these assumptions and expectations are accurate and cannot derive a particular conclusion. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to the Management perceptions. The report contains the risks and uncertainties arising to the Company but it cannot be figured out exactly due to the fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India ('SEBI'), the Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The changing economic and business conditions and rapid technological innovations are creating an increasingly impact on the industry. The Company does not undertake to make any announcement in case any of these forward looking Statements become materially incorrect in future or any update made thereon.

**OVERVIEW:**

The Company was incorporated on May 29, 1980 as MAGNUM PAPERS LIMITED and on 31<sup>st</sup> May, 1995, the status of the Company was changed from 'Private Limited Company' to 'Public Limited Company'. Further, its name was changed as '**Magnum Ventures Limited**' ('Magnum'). In September 20, 2007, Magnum made an Initial Public Offer and is currently listed at National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange Limited ('BSE').

Magnum is ideally located at Sahibabad, Ghaziabad (Uttar Pradesh) the NCR region hardly 15 KM from the heart of Delhi i.e., Connaught Place, New Delhi. The Company is having large infrastructures of 65,000 Square Meters and Five Lacs Square feet Building Area in Sahibabad Industrial Area, Ghaziabad (Uttar Pradesh).

Magnum currently operates in Paper Industry and Hotel Industry. The Company is manufacturing papers since more than 30 Years. The Company is one of the largest writing and printing paper and duplex paper printing concern in the Northern region. The existing manufacturing activities cover printing and writing papers, duplex boards, Xerox paper, Wrapping and packing paper and so on with installed capacity of 85K MT per annum based on 3 shift and 330 days working days in a year. The Company also contribute to the environment by focusing on the recycling process of paper making. Magnum also operates Hotel Industry by the name of **COUNTRY INN & SUITES by Carlson**, a Five Star Hotel at Sahibabad, Ghaziabad (Uttar Pradesh) diagonally opposite to Vaishali Metro Station, 50 minutes from the International Airport, 10 minutes from the Akshardham Temple and India Gate and Connaught Place is just a 25 minutes' drive from the Hotel. Our Sahibabad hotel provides innovative theme restaurants, extensive banqueting areas, state-of-the-art Business Centre, health club and spa, beauty salon, shopping arcade and outdoor, poolside bar that offers a world-class dining experience. The hotel is the first eco-friendly, all-vegetarian, five-star hotel. It comprising of 216 rooms in four categories i.e. 64 Standard Rooms, 76 Superior Rooms, 70 Club Rooms, and 6 Executive Suites. The Hotel was soft launched in the month of January, 2009, which is now in full operation. The hotel has a USP of being the first all Vegetarian Hotel to have been formally certified as a five star hotel by (HRACC) Ministry of Tourism.

**INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK:**

Our Company's business is broadly consists of manufacturing of Papers and Hotel Industry.

**Paper Industry**

As the present era is globally rising and more demand is on the increasing of the knowledge which as a result leads to the overall growth of the paper industry. The Indian paper industry is said to be growing in the line with the GDP of the country. Paper being an essential commodity has its socio- economic importance in the overall development of the country which is directly linked with the educational and the industrial growth. With the increasing competition, the Company so as to maintain a sustainable position in the market has to make a planned approach towards attaining its goal of maximum profit by overcoming the challenge of raw material availability, manpower, short term over capacity situation, environmental foot print etc.

**Hotel Industry**

The tourism and hospitality industry is one of the largest segments under the services sector of the Indian economy. In India, the sector's direct contribution to gross domestic product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023. Hotels are an extremely important component of the tourism industry and are the key drivers of growth among the services sectors in India. The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year, adding significant amount of foreign exchange to the economy. The role of the Indian government, which has provided policy and infrastructural support, has been instrumental in the growth and development of the industry.

## **SWOT ANALYSIS**

### **STRENGTHS:**

#### **Paper Industry**

The paper is in use since the second century A.D. and despite the emergence of the electronic media, the use of paper has always been adored by the mankind. The spurt in demand for paper and paper board rises from India's all round industrial development and growing rate of literacy. Over the last five years, many paper companies went for major modernisation and expansion.

India's paper and paper board industry has unlimited scope for further growth. Judging by the investment that paper manufacturers have made in modernisation and expansion so far, India's pulp and paper industry is well on its way to have a strong presence in Asia.

The Indian Paper Industry is among the top 12 Global players today, with an output of more than 13.5 Million tonnes annual with an estimated turnover of Rs. 35000 Crores.

Paper Industry in India is moving up with a strong demand push and is in expansion mode to meet the projected demand of 20 Million tonnes by 2020. Thus paper industry in India is on the growth trajectory and is expected to touch 8.5% GDP in the coming years. Therefore, the growth of Industry will out span the present growth rate of 6.5%.

#### **Hotel Industry**

Tourism has now become a significant industry in India. India offers a readymade tourist destination with the resources it has and the most fascinating hospitality statement of – "Atithi devo bhava". According to recent estimates, there is almost a 2:1 demand-supply ratio for rooms in India, demonstrating the untapped potential that continues to exist in this industry. As per the World Travel & Tourism Council, the occupancy ratio is around 80-85%, with nearly 10% increase from the last three years. There are international players in the market such as Taj and Oberoi & International Chains. Thus, the needs of the international tourist's travellers are met while they are on a visit to India.

### **WEAKNESSES:**

#### **Paper Industry**

In India, production of paper and paper board entails enormous challenges- ranging from procurement of raw materials, energy and water to facing the harsh criticism coming from environmental activists and observing a number of complex laws.

The biggest challenge facing paper industry in India is the procurement of raw materials. As availability of waste papers, is limited. The companies have to incur huge transportation cost in shipping waste papers and other raw materials from various countries. As a result, the fortunes of the industry depend on the great extent on the foreign exchange rate.

#### **Hotel Industry**

The Hotel industry also has weaknesses and one of them is that the land is expensive in India and most hotels are staffed heavily! The tax structure in the country is also higher as compared to other countries and the hotel rooms in the country are far lesser as well. The services offered by hotels are limited and will not meet with the world standards.

Poor support infrastructure is another weakness which need to be looked upon. Though the government is taking necessary steps, many more things need to be done to improve the infrastructure. The lack of adequate recognition for the tourism industry has been hampering its growth prospects. Whatever steps are being taken by the government are implemented at a slower pace.

### **OPPURTUNITIES:**

#### **Paper Industry**

Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, tissues, etc. New technologies and modern management will have vital part in this process. Besides that many overseas players are

entering India by acquiring or by setting up new plants in Indian soil with an aim to make India as a paper manufacturing hub which will bring huge investments to Indian Pulp and Paper Industry.

Today India is an excellent and vibrant market for Paper and Paper products due to high spending of the middle class people and some of the Government initiatives in the Social Development front also make the industry more vibrant. Many Indian Paper Mills are eyeing now to new mills to setup or joint ventures with existing players abroad to widen their business horizon.

The Govt. of India has relaxed the rules and regulations and also de-licensed the paper industry to encourage investment into this sector and joint ventures are allowed and some of the joint ventures have also started in India. The paper industry in India is looking for state-of-art technologies to reduce its production cost and to upgrade the technology to meet the international standards.

### **Hotel Industry:**

The Government of India has contributed significantly to the growth and development of the industry by providing policy and infrastructural support such as simplification of visa procedures and tax holidays for hotels. In the long term, the demand-supply gap in India is very real and that there is need for more hotels, the average increase in room rates over the last one year has hovered around 22-25%. India, being the only country with the most diverse topography has the potential for the growth of the hotel industry. Due to difference in the climatic condition and the period of holidays, the demand between the national and foreign tourists can easily be managed.

### **THREATS:**

#### **Paper Industry**

The increasing competition for wood and other raw materials from the renewable energy sector possess a serious threat on the paper industry. The need for growing supply of low-cost and high-quality imports of commodity-grade papers, especially from China adds to the additional cost of paper industry. Moreover, the need for the woods for the production of paper is indispensable. The impact of climate change on forest health and productivity cannot be ignored. Thereby, it directly impacts the production of paper. This way, the growth of the paper industry is endangered.

#### **Hotel Industry**

There have been wide fluctuations in international tourist arrivals. The total dependency of the Hotel industry on foreign tourists can be risky, as there are wide fluctuations in international tourism. Domestic tourism needs to be given equal importance and measures should be taken to promote it.

The Increasing competition is another threat posing the hotel industry. Several international majors like the Four Seasons, Shangri-La and Aman Resorts are entering the Indian markets. This will increase the competition for the existing Indian hotel majors.

### **HUMAN RESOURCE**

#### **Our company follows the diverse set of measures relating to the Human Resource to reduce the hindrances in our Manufacturing Process:**

In a manufacturing and service sector concern like ours, it becomes very important to effectively manage all the employees in order to achieve the goals of the organisation.

Human resource is very important in the growth and development of a company. It recognizes the importance and contribution of the employees' involvement in the operation of the company for the effective result.

We tend to maintain right number of employees at the right time at the right place. Our Company's human resource management strategy maximizes return on investment in the human capital and minimizes financial risk. Human Resources seeks to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the company's on-going and future business plans and requirements to maximize return on investment and secure future survival and success. In ensuring to achieve our objectives, the human resource function purpose in this context is to implement the human resource requirements effectively but also practically, taking account of legal, ethical and as far as is practical in a manner that retains the support and respect of the workforce.



The Company's belief in trust, transparency and teamwork improved employee and staff productivity at all levels. Your management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

**Your company follows a set of measures relating to the internal control system to reduce the risk and proper implementation of the Policies:**

The Company has established a sound internal control system which contributes to safeguarding the shareholder's investment and the company's assets. A sound system of internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

The Company has an audit committee which oversees the adequacies of the system of the internal control and report to the board. Also the Company has appointed an Internal Auditor to conduct internal audit of the functions and activities of the Company and reported to the Board. All the above business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

## **PRODUCT WISE PERFORMANCE**

Presently the Company has been dealing in two segments, i.e., Paper Division and Hotel Division. The details of the both the business segments are as follows:

### **SALES**

<b>PRODUCT</b>	<b>Current Year (2014-15)</b>		<b>Previous Year (2013-14)</b>	
	Quantity (Kgs)	Value (Amt in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	71676045	1,92,32,89,833	68727175	1,78,84,41,085
Hotel division	-	35,60,62,239	-	38,98,49,250



## **INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS' OF

### **M/S MAGNUM VENTURES LIMITED**

We have audited the accompanying financial statements of **M/s MAGNUM VENTURES LIMITED ("The Company")** which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT RESPONSIBILITY:**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY:**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view **(subject to the matters of emphasis mentioned below)** in conformity with the accounting principles generally accepted in India;

- i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii) In the case of the Statement of Profit and Loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

## **EMPHASIS OF MATTERS**

We draw attention to the following observations:

- a) ***Debtors include Rs. 2348.49 lakhs which are due for more than six months out of which Debtors of Rs. 110.13 lacs are under litigations. No provision for doubtful debts has been created by the company. Had the provision been made, the loss for the year would have been higher with that amount and debtors would have been lower with the same amount.***
- b) ***No provisions has been made by the Company for outstanding claims receivable from its suppliers for Rs. 1394.88 lacs (previous year 232.08). As per the management, same have not been accepted by the suppliers. In our opinion, the raw material consumption for the year is lowered by Rs. 1195.00 lacs (previous year Nil). Had the provision been made on such outstanding claims receivable, the Loss for the year would have been more by Rs. 1394.88 lacs and the Accumulated Losses would have also been higher by the same amount. (Refer Note No.11 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2015 )***
- c) ***No provisions has been made against zero coupon Debentures issued by the Company to its lender in terms of the CDR package approved by the CDR EG***

***on 24<sup>th</sup> December 2014 of Rs. 3412.00 lacs to be redeemed on 31.03.2026. Had a proportionate provision of Rs. 262.46 lacs for the year been made in the books, the Loss for the year would have been higher by that amount and the Accumulated Losses would have also been higher by the identical amount. (Refer Note No. 16 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2015)***

- d) Balances of Debtors & Creditors are subject to confirmation and reconciliation consequential effect (if any) on the account remained unascertained***
- e) The company has shown Term Loans and Interest accrued on them as per their CDR package. However, CDR package as informed to us is yet to be implemented. In absence of the details of interest accrued etc. the consequential effect of the same remains unascertained***

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") as required by Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in said Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its FINANCIAL position in its financial statements – Refer note 27 Part B (1) to the financial statements.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection FUND by the Company.

**For Aggarwal & Rampal**  
**Chartered Accountants**  
**F.R.No.003072N**

**S/d**  
**Vinay Aggarwal**  
**Partner**  
**M.No.082045**

Place: New Delhi  
Date: May 4, 2015

**ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF  
M/S MAGNUM VENTURES LIMITED, PURSUANT TO THE COMPANIES  
(AUDITORS' REPORT) ORDER 2015 ON THE ACCOUNTS FOR THE YEAR ENDED  
MARCH 31, 2015**

- i. (a) The Company has updated its records of fixed assets showing full particulars including quantitative details and situation of Fixed Assets.  
  
(b) As explained to us, most of the fixed assets have been physically verified by the management during the year and as per the explanations and information given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts.  
  
(c) During the year, the Company has not disposed off any part of the fixed assets, which will have the effect on the going concern of the company.
- ii. (a) As explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) As explained and based on the information given to us, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act. 2013.
- iv. ***In our opinion and according to the information and explanations given to us, the company does not have an adequate internal control system commensurate with the size of company and the nature of its business with regard to purchase of inventory, fixed assets, and with regard to the sale of goods as they are unable to collect their sale proceeds and also not able to recover their claims against their rejection in purchase of inventory.***

- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits, hence provisions of section 73 to 76 or any other relevant provisions of the Company Act does not applicable.
- vi. The Company has prepared and maintained cost records as prescribed by the Central Government under sub-section (1) of section 148 of the companies Act 2013.
- vii (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.

**(b) According to the records of the Company, there are following dues of Central Excise Department as on March 31, 2015 which have not been deposited on account of disputes : -**

- **Rs. 26,135 (Plus Interest and Penalty) for the period September 2010 to April 2011.**
- **Rs. 1,73,115 (Plus Interest and Penalty) for the period February 2009 to August 2010.**
- **Rs. 1,58,816 (Plus Interest and Penalty) for the period F/Y 2004-05 to F/Y 2007-08.**

**However, the Company has filed an appeal against the above order before Hon'ble CESTAT which is still pending for adjudication.**

- (c) According to the information and explanation given to us by the management, no amount is pending to be transferred to Investor Education And Protection Fund in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. **The Accumulated losses at the end of the financial year March 31, 2015 are more than the Net Worth of the company. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.**
- ix. **As explained and informed to us by the management, An 2<sup>nd</sup> Rework Package was approved by Corporate Debt Restructuring Executive Group Committee (CDR EG) on 24<sup>th</sup> December 2013 vide its Letter of Approval No. 863 Dated 30<sup>th</sup> December 2013. As per CDR Circular, the package should have been implemented within 120 days i.e. by April 23, 2014 by all the banks without waiting for their individual sanctions for the re-structuring package. However banks waited for sanction from the authorities and the MRA & other documents were signed on 31st July 2014 and implementation of package in the system by Banks is still pending.**



- x. Based on the records and information obtained by us, we report that the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- xi. Based on the records, we report that the Company has not availed any term loan during the year.
- xii. To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company has been noticed and reported during the year.

**For Aggarwal & Rampal  
Chartered Accountants  
F.R.No.003072N**

**S/d  
Vinay Aggarwal  
Partner  
M.No.082045**

Place: New Delhi  
Date: May 4, 2015

**MAGNUM VENTURES LIMITED**  
**(FORMERLY KNOWN AS MAGNUM PAPERS LIMITED)**

**CIN: L21093DL1980PLC010492**

**BALANCE SHEET AS AT 31ST MARCH 2015**

PARTICULARS	Note No.	For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b><u>Shareholders' funds</u></b>			
Share capital	1	626,018,840	626,018,840
Reserves and surplus	2	-955,287,892	-219,780,700
<b><u>Non-current liabilities</u></b>			
Long-term borrowings	3	3,468,213,425	3,330,510,542
Other Long Term Liabilities	4	78,500,000	60,000,000
Long Term Provisions	5	16,524,521	13,261,707
<b><u>Current Liabilities</u></b>			
Short Term Borrowings	6	444,764,669	440,122,180
Trade Payable	7	249,180,107	160,797,281
Other Current Liabilities	8	145,168,731	75,108,608
Short Term Provisions	9	4,107,979	2,707,755
<b>TOTAL</b>		<b>4,077,190,380</b>	<b>4,488,746,213</b>
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
<b><u>Fixed assets</u></b>			
(i) (a) Tangible assets	10	2,501,474,277	2,729,109,891
(ii) Intangible Assets	11	771,323	1,267,757
Deferred tax assets (net)	12	-	272,679,101
Long-term loans and advances	13	353,604,268	351,442,893
<b><u>Current assets</u></b>			
Inventories	14	158,132,918	145,136,277
Trade receivables	15	815,842,610	869,605,590
Cash and cash equivalents	16	17,645,839	13,244,541
Short-term loans and advances	17	229,203,208	105,467,479
Other Current Assets	18	515,938	792,684
<b>TOTAL</b>		<b>4,077,190,380</b>	<b>4,488,746,213</b>
Significant Accounting Policies & Other Notes to accounts see accoumpying notes to financial statements	27		
As Per Our Report Attached <b>Aggarwal &amp; Rampal</b> Chartered Accountants F.R. No 003072N	For And On Behalf of the Board of Directors		
<b>Vinay Aggarwal</b> Partner Membership No: 082045	S/d <b>Pradeep Kumar Jain</b> Managing Director DIN:00024879	S/d <b>Abhey Jain</b> Whole Time Director DIN: 01876385	
Place : New Delhi Date: 04.05.2014	S/d <b>Pradeep Kumar Jain</b> Chief Financial Officer	S/d <b>Monisha Chaudhary</b> Company Secretary Membership No: A36744	

**MAGNUM VENTURES LIMITED**  
**(FORMERLY KNOWN AS MAGNUM PAPERS LIMITED)**

**CIN: L21093DL1980PLC010492**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH 2015**

Particulars	Refer Note No.	For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Revenue from operations (Net)	19	2,235,976,471	2,136,576,216
Other income	20	3,249,533	16,876,605
<b>Total Revenue</b>		<b>2,239,226,004</b>	<b>2,153,452,822</b>
<b><u>Expenses</u></b>			
Cost of Material Consumed	21	1,665,559,637	1,504,580,861
Change in Inventory of Finished Goods & W.I.P	22	1,393,178.00	107,754
Employee Benefit Expense	23	189,105,567	169,122,092
Finance Cost	24	381,865,868	360,433,567
Depreciation and amortization expense	25	247,992,258	191,586,636
Other Expenses	26	212,389,530	187,953,238
<b>Total Expenses</b>		<b>2,698,306,037</b>	<b>2,413,784,148</b>
<b>Profit Before Tax</b>		<b>-459,080,033.07</b>	<b>-260,331,325.98</b>
<b>Extra-ordinary Items</b>			
Profit (Loss) on Sale of Assets		1,134,931	8,197,719.34
Reversal of Deferred Tax Asset		272,679,101	-
Prior Period Expenses		2,442,888	
Tax expense:			
Current tax		120,636	2,215,368
Deferred tax		0.00	-65,773,450
<b>Profit After Tax for the Period</b>		<b>-733,187,727.07</b>	<b>-188,575,524.50</b>
<b>Earnings per equity share:</b>			
(1) Basic		-19.50	-5.02
(2) Diluted		-19.50	-5.02
Significant Accounting Policies 27			
& Other Notes to accounts see accoumpying notes to financial statements			
As Per Our Report Attached		For And On Behalf of the Board of Directors	
<b>Aggarwal &amp; Rampal</b> Chartered Accountants F.R. No 003072N			
<b>Vinay Aggarwal</b> Partner Membership No: 082045	<b>S/d</b> <b>Pradeep Kumar Jain</b> Managing Director DIN:00024879	<b>S/d</b> <b>Abhey Jain</b> Whole Time Director DIN: 01876385	
<b>Place : New Delhi</b> <b>Date: 04.05.2014</b>	<b>S/d</b> <b>Pradeep Kumar Jain</b> Chief Financial Officer	<b>S/d</b> <b>Monisha Chaudhary</b> Company Secretary Membership No: A36744	

**MAGNUM VENTURES LIMITED**  
**(Formerly Known as 'Magnum Papers Limited')**  
**CIN: L21093DL1980PLC010492**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH 2015**

		Amount in INR(Rs.)			
PARTICULARS		As at 31.03.2015		As at 31.03.2014	
	CASH FLOW FROM OPERATIONS				
A)	Profit before Taxation		-459,080,033		-260,331,326
B)	Adjustments				
	ADD				
i	Depreciation	247,992,258		191,586,636	
ii	Interest expenses	381,865,868		360,433,567	
iii	Provision for Gratuity	2,587,750		4,428,236	
iv	Provision for leave Encashment	606,490		-2,462,252	
v	Provisions for Bonus	1,468,798		49,623	
	<b>Less</b>				
	Interest income	43,894		186,442	
			634,477,270		553,849,368
	Operating profit before working capital changes		175,397,237		293,518,042
C)	(Increase)/ Decrease in Current Assets				
i	Inventories	-12,996,641		-10,809,217	
ii	Sundry Debtors	53,762,980		-76,559,423	
iii	loans & advances & other Current Assets	-125,620,358		-354,332,398	
	Increase / (Decrease) in Current Liabilities				
i	Sundry Creditors	88,382,827		-25,926,396	
ii	Advance from Customers	9,260,946		-11,173,248	
iii	Expenses Payable	13,446,712		-7,126,789	
iv	other liability	51,994,954		-244,915,123	
			78,231,420		-730,842,594
	Cash generated from operations		253,628,657		-437,324,552
	Wealth tax paid	-120,636		-2,215,368	
	Income tax & FBT	0		0	
			-120,636		-2,215,368
	Effect of Extra Ordinary Item		-2,442,888		0
	NET CASH FROM OPERATIONS		251,065,133		-439,539,920
	<b>INVESTING ACTIVITIES</b>				
i	Additions to Capital work in progress	0		0	
ii	Additions to fixed assets(Net of Sales)	-21,044,745		-18,240,844	
iii	Increase in investment	0		0	
iv	Interest Income	43,894		186,442	
	NET CASH FROM INVESTING ACTIVITIES		-21,000,851		-18,054,402
	<b>FINANCING ACTIVITIES</b>				
i	Issue of Shares	0		0	
ii	Increase in Share Premium	0		0	
iii	Decrease in Investments	0		0	
iv	Borrowings	156,202,883		821,898,258	
v	Interest Paid/Payable	-381,865,868		-360,433,567	
	NET CASH FROM FINANCING ACTIVITIES		-225,662,984		461,464,691
	Net Change in cash and cash equivalents (A+ B + C)		4,401,297		3,870,369
	Cash and cash equivalents at the beginning of the period (See Note-3)		13,244,541		9,374,172
	Cash and cash equivalents at the end of the period (See Note-3)		17,645,838		13,244,541
	Notes :-				

1)The above Cash Flow Statements has been prepared under the Indirect Method as set out in As -3(Cash Flow Statements)  
2)Figures in brackest indicates outflows  
3) Cash and cash equivalents consist of cash on hand and balances with scheduled Banks in current accounts. Cash and cash equivalents in included in cash flow statement comprise the following balance sheet amounts.

Particulars	As at 31.03.2015		As at 31.03.2014
Cash in hand	677,010		785,558
FDR with the Bank	200,000		200,000
Balance with scheduled banks in current accounts	16,768,828		12,258,983
Total	17,645,839		13,244,541

As Per Our Report Attached  
Aggarwal & Rampal  
Chartered Accountants  
F.R. No 003072N

For And On Behalf of the Board of Directors

**Vinay Aggarwal**  
**Partner**  
**Membership No: 082045**

**Place : New Delhi**

**Date: 04.05.2015**

**S/d**  
**Pradeep Kumar Jain**  
**Managing Director**  
**DIN:00024879**

**S/d**  
**Pramod Kumar Jain**  
**Chief Financial Officer**

**S/d**  
**Abhey Jain**  
**Whole Time Director**  
**DIN: 01876385**

**S/d**  
**Monisha Chaudhary**  
  
**Company Secretary**  
**Membership No: A36744**

**MAGNUM VENTURES LIMITED**

**Note 1**

Share Capital	PAPER	For the Year ended as on 31.03.2015		For the Year ended as on 31.03.2014	
		Number	Rs.	Number	Rs.
<b>Authorised</b>					
Equity Shares of Rs.10 each		39,000,000.00	390,000,000.00	39,000,000.00	390,000,000.00
Preference Shares of Rs. 100 each	-	3,000,000.00	300,000,000.00	3,000,000.00	300,000,000.00
<b>Issued , Subscribed &amp; Paid up</b>					
Equity Shares of Rs.10 each fully Paid-up	-	37,601,884.00	376,018,840.00	37,601,884.00	376,018,840.00
Preference Shares of Rs. 100 each fully Paid-up		2,500,000.00	250,000,000.00	2,500,000.00	250,000,000.00
<b>Total</b>	-		<b>626,018,840.00</b>		<b>626,018,840.00</b>

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company rank pari-passu in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Redeemable, Non convertible and Non-Cumulative Preference Shares 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 redemption as the Board in its absolute discretion may determine for the purpose of augmenting the long term resource base of the company.

**Reconciliation of Number of Equity Shares Outstanding**

Particulars	PAPER	AS AT 31.12.2014		AS AT 31.03.2014	
		Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	37,601,884.00	376,018,840.00	37,601,884.00	376,018,840.00
Shares Issued during the year	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-
Shares outstanding at the end of the year	-	<b>37,601,884.00</b>	<b>376,018,840.00</b>	37,601,884.00	376,018,840.00

**Reconciliation of Number of Preference Shares Outstanding**

Particulars	PAPER	AS AT 31.12.2014		AS AT 31.03.2014	
		Number	Amount	Number	Amount
	<b>Newsprint</b>				
Shares outstanding at the beginning of the year	-	2,500,000.00	250,000,000.00	-	-
Shares Issued during the year	-	-	-	2,500,000.00	250,000,000.00
Shares bought back during the year	-	-	-	-	-
Shares outstanding at the end of the year	-	<b>2,500,000.00</b>	<b>250,000,000.00</b>	2,500,000.00	250,000,000.00

**Shares held by shareholders holding more than 5% shares**

Name of Shareholder		AS AT 31.12.2014		AS AT 31.03.2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praveen Kumar Jain (Equity Shares)		16,648,510.00	44.28	16,648,510.00	44.28
Praveen Kumar Jain (Preference Shares)		2,500,000.00	100.00	2,500,000.00	250,000,000.00

**Note 2**

<u>Reserves &amp; Surplus</u>		For the Year ended as on 31.03.2015	For the Year Ended as on 31.03.2014
<b>A. Securities Premium</b>			
Opening Balance		385,253,799.53	385,253,799.53
<b>Closing Balance</b>		385,253,799.53	385,253,799.53
<b>B. General Reserve</b>			
Opening Balance		1,528,067.07	1,528,067.07
<b>Closing Balance</b>		1,528,067.07	1,528,067.07
<b>C. Surplus</b>			
Opening balance		-606,562,566.24	-417,987,041.74
Effect due to application of Schedule II		-2,319,465.28	-
(+/-) Profit/(Loss) During the Year		-733,187,727.07	-188,575,524.50
<b>Closing Balance</b>		<b>-1,342,069,758.59</b>	<b>-606,562,566.24</b>
<b>Total</b>		<b>-955,287,891.99</b>	<b>-219,780,699.64</b>

**Note 3**

<u>Long Term Borrowings</u>		For the Year ended as on 31.03.2015	For the Year Ended as on 31.03.2014
<b>Debentures</b>			
Zero Coupon Non-Convertible Debentures (341200 Debentures of Rs. 1000/- each)		341,200,000.00	<b>341,200,000.00</b>
<b>Term Loan</b>			
<u>Secured</u>			
<u>From Banks</u>			
Indian overseas Bank		332,058,399.08	319,684,029.93

PNB		823,514,486.93	847,141,788.71
Syndicate Bank		806,451,221.76	744,094,295.57
Oriental Bank Of Commerce		410,735,660.96	371,570,594.55
Allahabad bank		203,824,904.49	207,407,355.68
Vijaya Bank		298,289,699.50	285,013,183.41
Unsecured Loans From Related Parties & Others		246,709,656.24	212,774,436.24
Vehicle Loans		5,429,396.30	1,624,857.92
<b>Total</b>		<b>3,468,213,425.26</b>	<b>3,330,510,542.01</b>
<b>Note:</b> Issued to bankers against their sacrifice (341200 Debentures of Rs. 1000/- each payable on 31-03-2026)			
<p><b>Working Capital Limit (Paper Divison)</b>  First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables &amp; other current assets of the Paper Division ranking pari-passu basis with the consortium members (OBC, PNB, SYB, IOB &amp; Allahabad Bank).</p> <p><b>Term Loan (Paper Division)</b>  First charge on the entire fixed assets of the Paper Division present &amp; future (Excluding PCC) ranking on pari-passu basis. (OBC, PNB, SYB, IOB &amp; Allahabad Bank, Vijaya Bank). Exclusive charge on all PCC project assets in favour of Syndicate Bank. Collateral Pari-Passu second charge on the entire fixed assets of the company (present &amp; future) along with other consortium member banks.</p> <p><b>Term Loan-Hotel Division</b>  First charge on present/future blocks assets of Hotel division ranking pari-passu with other lenders of the project. (OBC, PNB, SYB, IOB &amp; Allahabad Bank, Vijaya Bank).</p> <p><b>Collateral</b>  Working capital facilities shall be collaterally secured by way of Second Charge on entire fixed assets (present &amp; future) of the company on pari-passu basis with the members of consortium. First charge against these assets shall continue with term lending banks.</p> <p>Term loan facilities shall be collaterally secured by way of Second Charge on entire current assets (present &amp; future) of the company on pari-passu basis with the members of consortium. First charge against these assets shall continue with working capital lender banks.</p>			

**Note 4**

<b>Other Long Term Liabilities</b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2013</b>
<u><b>Others</b></u>			
Advance against Property		78,500,000.00	60,000,000.00
<b>Total</b>		<b>78,500,000.00</b>	<b>60,000,000.00</b>



**Note 5**

<u>Long Term Provisions</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
<u>Provision for Employee benefits</u>			
Provision for Gratuity		12,119,577.00	9,297,002.00
Provision for Leave Encashment		4,404,944.00	3,964,705.00
<b>Total</b>		<b>16,524,521.00</b>	<b>13,261,707.00</b>

**Note 6**

<u>Short Term Borrowings</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
<u>Secured Working Capital Loans from banks</u>			
IOB		37,520,001.21	31,937,127.14
Oriental Bank of Commerce		247,608,645.49	259,307,904.49
Syndicate Bank		-729,979.68	16,732,980.17
Allahabad Bank		63,303,408.06	53,365,467.78
PNB		97,062,593.55	78,778,700.72
<b>Total</b>		<b>444,764,668.63</b>	<b>440,122,180.30</b>

**Note 7**

<u>Trade Payable</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Trade Payable within Normal Operating Cycle (Including Cheque issued but not presented for payment)		249,180,107.23	160,797,280.59
<b>Total</b>		<b>249,180,107.23</b>	<b>160,797,280.59</b>

**Note 8**

<u>Other Current Liabilities</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014

Interest Accrued and due on borrowings		97,180,545.11	48,764,868.74
Vehicle Loans		1,303,921.00	2,367,132.00
Other Payables		33,002,571.09	19,555,858.86
Advances from Customers & others		13,681,694.00	4,420,748.00
<b>Total</b>		<b>145,168,731.20</b>	<b>75,108,607.60</b>

**Note 9**

<b><u>Short Term Provisions</u></b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
<b><u>Provision</u></b>			
Provision for Gratuity		1,243,042.00	1,477,867.00
Provision for Leave Encashment		541,735.00	375,484.00
Bonus payable		2,323,202.00	854,404.00
<b>Total</b>		<b>4,107,979.00</b>	<b>2,707,755.00</b>

**Note 10**

<b><u>Tangible Assets</u></b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
Land		190,933,558.86	190,933,558.86
Building & Site		809,572,222.30	841,937,937.30
Computer		664,900.33	2,400,816.31
Furniture & Fixture		220,689,541.20	316,950,006.20
Plant & Machinery		1,094,245,116.96	1,153,624,488.96
Vehicles		16,314,720.54	13,277,636.54
Electric Installation		18,962,627.49	33,968,961.49
Generator		8,585,141.36	10,114,961.36
Office Equipment		1,188,481.66	1,912,543.96
Fire Fighting Equipment		187,906.00	234,034.00
Deinking Plant		54,584,748.80	62,835,773.80
Turbine		85,545,311.77	100,919,171.77
<b>Total</b>		<b>2,501,474,277.27</b>	<b>2,729,109,890.55</b>

**Note 11**

<u>Intangible Assets</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Softwares		771,323.00	1,267,757.40
<b>Total</b>		<b>771,323.00</b>	<b>1,267,757.40</b>

**Note 12**

<u>DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Deferred Tax Assets (A)		-	448,952,191.00
Deferred Tax Liabilities (B)		-	176,273,090.00
<b>Net Deferred Tax Asset/ (Liability) (A-B)</b>		<b>-</b>	<b>272,679,101.00</b>

**Note 13**

<u>Long Term Loans &amp; Advances</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Security Deposit			
Unsecured, Considered good		12,404,267.63	10,242,892.63
Zero Coupon Non-Convertible Debentures (Non-Current)		341,200,000.00	341,200,000.00
<b>Total</b>		<b>353,604,267.63</b>	<b>351,442,892.63</b>

**Note:** Issued to bankers against their sacrifice (341200 Debentures of Rs. 1000/- each payable on 31-03-2026)

**Note 14**

<u>Inventories</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
(As Valued & Certified by the Management)			
Raw Material		69,216,993.48	56,619,043.00
Work-In-Progress		2,504,743.00	5,511,350.00
Finished Goods		11,514,105.00	9,900,676.00
Chemicals Stores & Consumables		35,311,117.93	49,625,473.00
Hotel Stock		5,828,946.65	5,822,896.00
Fuel		33,757,012.00	17,656,839.00
<b>Total</b>		<b>158,132,918.06</b>	<b>145,136,277.00</b>

**Note 15**

<u>Trade Receivables</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Trade Receivable outstanding for a period exceeding six months from Unsecured considered good		234,849,878.74	52,346,225.60
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good		580,992,731.18	817,259,364.38
<b>Total</b>		<b>815,842,609.92</b>	<b>869,605,589.98</b>

**Note 16**

<u>Cash &amp; Cash Equivalents</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Balance with scheduled banks in current accounts		16,768,828.36	12,258,983.18
Cash on hand		677,010.26	785,558.22
Fixed Deposits with Banks		200,000.00	200,000.00
<b>Total</b>		<b>17,645,838.62</b>	<b>13,244,541.40</b>

**Note 17**

<u>Short Term Loan &amp; Advances</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
<u>Others</u>			
Unsecured, Considered good			
Advances with Government Authorities & Others		177,437,810.52	74,173,724.11
Labour, Staff Advance & Imprest		203,412.00	256,872.00
Advance to Supplier for Raw Material		50,828,127.31	29,945,554.79
Advance to Supplier for Capital Goods		733,858.00	1,091,328.00
<b>Total</b>		<b>229,203,207.83</b>	<b>105,467,478.90</b>

**Note 18**

<u>Other Current Assets</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014

Prepaid Expenses		515,938.00	792,684.00
Branch / Divisions		-	-
<b>Total</b>		<b>515,938.00</b>	<b>792,684.00</b>

**Note 19**

Revenue From Operation		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Gross Revenue		2,279,352,072.08	2,178,290,334.78
Less : Excise Duty		52,115,612.00	49,017,092.00
Net Revenue from Operations		<b>2,227,236,460.08</b>	<b>2,129,273,242.78</b>
Other Operating Revenue		10,036,414.94	8,689,194.60
Less : Excise Duty		1,296,404.00	1,386,221.00
Net Other Operating Revenue		8,740,010.94	7,302,973.60
<b>Total</b>		<b>2,235,976,471.02</b>	<b>2,136,576,216.38</b>

**Note 20**

Other Incomes		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Interest recd on FDR		43,894.00	186,442.00
Interest accrued on Security Deposit (EEUDD)		1,362,780.00	699,000.00
Interest on Income Tax Refund		-	339,552.00
Service Charges		-	9,813,986.00
Rental Charges		1,170,000.00	1,239,410.00
Insurance Claim		-	185,698.00
Service Tax Credit		-	3,676,766.00
Foreign Exchange Gain		672,858.97	297,100.81
Short & Excess		-	438,650.42
<b>Total</b>		<b>3,249,532.97</b>	<b>16,876,605.23</b>

**Note 21**

Cost of Material Consumed		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Raw Material Consumed		970,446,751.72	832,092,724.49
Power & Fuel Consumed		394,877,464.00	362,804,329.60
Chemicals Stores & Consumables		300,235,421.07	309,683,806.98

<b>Total</b>		1,665,559,636.79	1,504,580,861.07

**Note 22**

<b>Changes in Inventory of Finished Goods &amp; Work In Progress</b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
Changes in Inventory of Finished Goods		-1,613,429.00	78,904.00
Changes in Inventory of Work in Progress		3,006,607.00	28,850.00
<b>Total</b>		<b>1,393,178.00</b>	<b>107,754.00</b>

**Note 23**

<b>Employee Benefit Expense</b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
Salary (Including Director's Remuneration 22,66,400)		123,449,550.50	114,536,621.00
Wages		45,731,325.00	36,880,541.00
Bonus		3,786,636.00	864,295.00
Gratuity		3,138,340.00	5,479,835.00
Leave Encashment		2,008,574.00	365,519.00
Contribution to ESI		3,071,943.00	3,044,907.00
Contribution to EPF		7,905,388.00	4,995,602.00
Staff Welfare		13,810.00	2,954,772.00
<b>Total</b>		<b>189,105,566.50</b>	<b>169,122,092.00</b>

**Note 24**

<b>Finance Cost</b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
Interest on Term Loan		321,675,536.84	299,735,543.24
Interest on Working Capital Loan		52,051,712.50	55,593,513.00
Interest other than Bank		2,558,425.00	-
Bank Charges		5,580,193.26	5,104,510.57
<b>Total</b>		<b>381,865,867.60</b>	<b>360,433,566.81</b>

**Note 25**

<b>Depreciation &amp; Amortisation Expense</b>		<b>For the Year ended as on 31.03.2015</b>	<b>For the Year ended as on 31.03.2014</b>
Depreciation on Tangible Assets		247,495,824.00	190,809,210.97

Amortisation of InTangible Assets		496,434.40	777,425.00
<b>Total</b>		<b>247,992,258.40</b>	<b>191,586,635.97</b>

**Note 26**

<u>Other Expenses</u>		For the Year ended as on 31.03.2015	For the Year ended as on 31.03.2014
Advertisement Expenses		985,271.00	1,453,040.00
Auditor Remuneration		337,080.00	337,080.00
Commission		5,986,420.00	4,500,477.30
Electricity		39,905,372.50	53,068,223.00
Entertainment & Music		612,518.00	554,264.00
Entainment Tax		161,700.00	158,900.00
Excise duty, Tax & Interest		82,984.00	-
Freight outward		33,341,333.00	23,903,244.00
Insurance Charges		448,366.00	1,327,282.00
Fees & Subscription		17,737,433.10	25,211,306.00
Legal & Professional		2,327,648.00	2,706,145.00
Miscellaneous & General		555,038.96	968,251.88
Postage		354,821.00	314,863.00
Photocopy Expense		137,916.00	120,845.00
Printing & Stationery		2,163,795.17	2,151,359.50
Rates & taxes		6,978,084.00	6,316,544.00
Rebate, Discount & Written off		20,204,881.54	2,138,646.04
Rent & Hire Charges		499,706.00	890,149.00
Repair & Maintenance Building		2,537,368.58	1,853,394.00

Repair & Maintenance Plant & Machinery & Others		25,141,726.99	20,885,107.99
Sales Promotion		18,514,594.00	6,846,413.00
Sales Tax (Including Additional Demand)		111,611.00	3,694,157.14
Service Tax		2,262,204.52	1,963,279.73
Share Listing Fees		399,678.00	201,135.00
Telephone		2,396,210.00	2,654,719.61
Travelling Expenses		1,158,105.65	2,395,641.08
Conveyance Expense		245,210.35	302,155.92
Vehicle Expense		1,553,763.96	1,789,424.00
Water Expense (Including Cess)		372,198.00	957,634.00
Guest Supplies Expense		12,096,934.73	7,028,257.84
Horticulture Expenses		22,995.00	30,768.00
Kitchen Equipment & Fuel Expense		981,434.50	1,016,305.00
Upholstery & Fabric Expenditure		5,241,049.89	2,291,508.01
Banquet and Decoration Expense		2,544,560.46	1,543,473.87
Laundry & Cleaning Expenses		2,678,728.87	5,520,827.83
Medical Expenses		1,310,787.00	858,416.00
<b>Total</b>		<b>212,389,529.77</b>	<b>187,953,237.74</b>



**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

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**NOTE- 27**

**(A)SIGNIFICANT ACCOUNTING POLICIES**

**1. CORPORATE INFORMATION**

Magnum Ventures Limited is ISO 14000 certified Company is engaged in the business of manufacturing News Print paper & Duplex Board.

The Company also running a 5 star hotel named “**Country Inn & Suits by Carlson**” at Sahibabad, Ghaziabad, UP. In this regard, Company had entered into Territory License Agreement with Country Inn & Suites by Carlson Inc USA through Country Development & Management Services Private Limited on 31st January 2007 for a period of 10 year from opening date i.e. February 2009. The Licence can be renewed for a further period of 10 years

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- a) The financial statements have been prepared under the historical cost convention and on the accounting principles of going concern. Accounting polices not specifically referred to otherwise are in accordance with the generally accepted accounting principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b) The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets & liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent & reasonable. Future results could differ from these estimates.
- c) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- d) The company is complying with the Accounting-Standards issued by the ICAI, as per the requirements of the Companies Act, 2013.

**3. FIXED ASSETS AND DEPRECIATION**

- a) Expenditure of capital nature are capitalised at cost comprising of purchase price (*net of Excise duty, rebates and discounts*) and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All fixed assets are carried at cost less depreciation. But when an asset is 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.

Advances paid towards the acquisition or construction of fixed assets and the cost of assets not put to use as at reporting date are disclosed under capital work in progress.

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- b) 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, and Software is amortised in 5 years.

For Hotel Division Assets, depreciation has been provided on the straight-line method at the rates and in the manner prescribed in schedule II to the Companies Act. 2013,

Further Freight on Capital Asset installed and put to use has been capitalized at the end of month.

**3. 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.

**4. 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 AS-2 (Revised) issued by I.C.A.I.

**5. REVENUE RECOGNITION**

- a) **Sales**

In Paper Division, Revenue on Sale of Newsprint and Duplex Board is recognized on the basis of dispatches from factory gates and inclusive of Excise Duty.

In Hotel Division, Revenue from Banquet is recognized when billed on completion of guest's function, Revenue from Room is recognized at the time when the guest checkout.

- 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.

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**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 Excise Duty.

**6. EXCISE DUTY**

Liabilities for Excise Duty occur and accounted for as when the raw materials get finished.

**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 there is no such assets exists in the Company.

**8. TAXATION**

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

**9. EARNING PER SHARE**

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

**10. PROVISION AND CONTIGENCIES**

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

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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**

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

**b. Defined Benefit Plan**

Employees Benefit has been recognized as required in accordance with Accounting Standard 15 'Employee Benefits' on the basis of Actuarial Valuation report for the year ended 31-03-2015 as annexed to Notes to account.

Retirement benefits in the form of Gratuity is considered as defined benefit obligation and provided for on the basis of an actuarial valuation, using the projected unit credit method (PUC), as at the date of Balance Sheet.

**c. Other long-term benefits**

Leave Encashment are provided for on the basis of an actuarial valuation, using the projected unit credit method(PUC), as at the date of Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Statement of Profit and Loss.

**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:

**Gratuity**

Particular	As at 31-03-15	As at 31-03-14
<b>a) Economic Assumption</b>		
Discounted Rate	8.75%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	6.25%	6.25%
<b>b) Demographic Assumptions</b>		
Normal Retirement Age *	58 + 2 years Extension	

**MAGNUM VENTURES LIMITED**  
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Mortality Table	Indian Assured Lives (2006-08)
Withdrawal Rate (in %)	Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 44 Years 1.0

**Note:** In Hotel Division of Company, the Normal Retirement age is 58 Years.

**Leave Encashment**

Particular	As at 31-03-15	As at 31-03-14
<b>a) Economic Assumption</b>		
Discounted Rate	8.75%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	6.25%	6.25%
<b>b) Demographic Assumptions</b>		
Normal Retirement Age *	58 + 2 years Extension	
Mortality Table	Indian Assured Lives (2006-08)	
Withdrawal Rate (in %)	Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 44 Years 1.0	

**Note:** In Hotel Division of Company, the Normal Retirement age is 58 Years.

**(B) OTHER NOTES**

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

Name of the Statue	Name of the Dues	Amount(Rs.)	Period to which the amount relate	Status/Forum where Dispute is Pending
Custom & Central Excise	CENVAT Credit	8, 28, 510/-	2006	Custom & Central Excise Department has filed appeal in Allahabad high Court.
Custom & Central Excise	Excise Duty on Production loss	20,97,503/-	2005-06	Addl. Commissioner of Excise show cause notice pending
Sale Tax	Central Sale tax	91,437/-	2010-11	Demand due U/S 28(1) is not paid yet. May 12,2014

**MAGNUM VENTURES LIMITED**  
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Excise Law	Duty on Waste	26,135/-(Plus Interest+ 26,135 Penalty)	Sept 2010 to April 2011	Appeal (A No. E/3763/2012) has been filed against the Show cause Notice (dt. 8.8.2011)
Excise Law	Duty on Waste	1,73,115/-( Plus Interest and 1,73,115)	Feb 2009 to August 2010	Appeal (A No. E/2162/2012) has been filed against the Show cause Notice (dt. 9.12.2010)
Excise Law	Duty on Waste	1,58,816/-(Plus Interest)	2004-05 to 2007-08	Appeal (A No. E/2039/2011) has been filed against the Show cause Notice (dt. 29.04.2009)
Excise Law	SCN for Duty of excise on paper board	14,62,96,594/- +(Interest and Penalty)		Letter sent to Commissioner ,GZB to refer withdrawal of SCN
Service Tax Law	Demand of Service Tax Hotel	90,11,674/- 21,458/- 15,393/- +(Interest & penalty)	2006-2010	Tribunal Delhi, Stay Granted and stay extended.
Service Tax Law	SCN for Service Tax from Hotel	1,64,00,749/- +(Interest & penalty)	2010-2011	Order Passed by Comm. And Appeal filed before Tribunal, Delhi on 27.08.2013
Excise Law	Departmental Appeal against refund order of Newsprint	30,80,824/-		Tribunal Delhi, Next Hearing Date yet to be notified
Excise Law	Paper Division- Newsprint- SCN	13,28,43,130/- ( + Interest +Penalty)		The company is under preparation of Reply
Excise Law	Paper Division Newsprint- SCN	5,83,68,368/- (Interest+ Penalty)		The company is under preparation of Reply
EPCG License	Total Export Obligation			Rs. 50,31,14,020/-
	Export Turnover /Earning in Foreign Currency up to 31-03-2015			Rs. 38,38,83,983/-
	Export Turnover yet to achieve			<b>Rs. 11,92,30,037/-</b>

On April 8, 2014, a SIB search by Sale Tax Department of Uttar Pradesh was conducted at Paper Division of the company some loose papers consisting challans etc were taken in customer by the department. Further no tax demand has been raised yet.

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

**3. REMUNERATION PAID TO AUDITORS:**

Particular	Current Year	Last Year
As Statutory Auditors	2,45,000/- Service Tax 30282/-	Fee 243089/- Service Tax 30045/-
Tax Audit Fees	55,000/- Service Tax 6798/-	Fee 55000/- Service Tax 6798/-
In other matter	NIL	NIL

4. In the opinion of the management, current assets, loans and advances are of the value stated if realised in the ordinary course of business except otherwise stated. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonable.
5. During the year company has suffered loss & hence no provision for taxation has been made for the year ended 31.03.2015 in accordance with the provision of Income Tax Act, 1961.
6. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Mr. Pradeep Kumar Jain	720000.00	-
Mr. Parmod Jain	480000.00	-
Mr. Abhey Jain	480000.00	-
Mr. S. P. Chaturvedi	586400.00	-

**7. INCREASE IN AUTHORISED CAPITAL**

During the year there is no increase in authorized capital of the company

**8. DEBTORS**

The debtors outstanding as on 31.03.15 are inclusive of debtors amounting to Rs. 2348.49 lakhs which are due for more than six months. Some of the debtors mentioned above are not presently dealing with the Company and created disputes for quality/rate out of which, Debtors of Rs. 110.13 lacs are under litigations.

9. Additional information (as certified by the management and relied upon by the Auditors)

**PAPER DIVISION**

- l) Quantitative information with regard to the licensed & installed capacity, production & sales of Paper manufactured by the company:

S. No.	Particular	Current Year Qty. in MT	Last Year Qty in MT.
(a)	Licensed Capacity	85000	85000
(b)	Installed Capacity	NA	N.A

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

(c)	Production	71693	68723
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**II) Turnover, Closing & Opening Stock of Finished Goods**

**PAPER DIVISION**

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	456808	461303	9900676	9979580
(b)	Closing Stock	473617	456808	11514105	9900676
(c)	Sale (Including Captive use)	71676045	68727175	1923289833	1788441085

**HOTEL DIVISION**

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	NA	NA	5822896	6094946
(b)	Closing Stock	NA	NA	5828947	5822896
(c)	Sale	NA	NA	356062239	389849250

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

**PAPER DIVISION**

S. No	Particular	Qty (Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Raw Material	85783830	78051140	890116284	745348232
(b)	Stores & Chemical	-	-	300235421	309683807
(c)	Power & Fuel	-	-	394877464	362804330

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

Particular	Value (Rs)		In %	
	Current Year	Last Year	Current Year	Last Year
Imported Raw Material	126995723	6809943	14.27	0.91
Indigenous Raw Material	763120561	738538289	85.73	99.09
Imported Stores & Chemical	9743359	5855977	3.24	1.89
Indigenous Stores & Chemical	290492062	303827830	96.76	98.11



**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
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IV) **Information in regard to Foreign Currency Transactions**

a) **C.I.F. VALUE OF IMPORTS:**

**PAPER DIVISION**

Particular	Current Year (Rs)	Last Year (Rs)
Raw Material	142815273	6007456
Chemical & Consumable Spare Parts	9734385	5306977

**HOTEL DIVISION**

Particular	Current Year (Rs)	Last Year (Rs)
Consumables and Machines	Nil	Nil

b) **EXPENSES INCURRED IN FOREIGN CURRENCY:**

Particular	Current Year (Rs)	Last Year (Rs)
Paper Division	Nil	Nil
Hotel Division	3347789/- (USD 53465)	1720497/-(USD 28172) 244058/- (EURO 2771 )

c) **EARNING IN FOREIGN EXCHANGE CURRENCY:**

Particular	Current Year		Last Year	
	Rs.	FC	Rs.	FC
Paper Division	Nil	Nil	Nil	Nil

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

Hotel Division		USD 495907	76264820	USD
		Euro 413240		1293793
		GBP 51455		
		CHY 720		
		AUD 3500		
		AD(AUS)		
		12395		
		AED 6365		

**10. RELATED PARTY TRANSACTION DISCLOSURE:**

The related parties, as defined by Accounting Standard 18 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, in respect of which disclosure have been made, have been identified on the basis of disclosure made by the managerial persons and taken on record by the board.

We have identified all the related parties and transactions with all such information provided to you as under complete in all respects:

**Disclosure of transactions with related parties as required by Accounting Standard 18 issued by The Institute of Chartered Accountants of India**

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2015	205990503.53	40719152.71
2	<b>Remuneration of Directors</b>		
	Mr. Pradeep Kumar Jain	720000.00	-
	Mr. Parmod Jain	480000.00	-
	Mr. Abhey Jain	480000.00	-
	Mr. S. P. Chaturvedi	586400.00	-
3	<b>Remuneration of Company Secretary</b>		
	Ms. Monisha	154000.00	-
4	<b>Interest on Unsecured Loan</b>		
	Abhey Jain (HUF)	-	244902.75
	Asha Jain	-	8024.37
	Parv Jain	-	23511.30
	Pradeep Kumar Jain (HUF)	-	190369.23
	Pramod Kumar Jain (HUF)	-	223716.59
	Rita Jain	-	40199.81
	Salek Chand Jain	-	31852.98
	Salek Chand Jain (HUF)	-	253879.34
	Veena Jain	-	190853.25
	Vinod Kumar Jain (HUF)	-	223950.78
5	<b>Salary to Relative of Key Management Personnel</b>		
	Mr. Vinod Jain	-	360000
	Mr. Rishabh Jain	-	360000

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

	Mr. Ritesh Jain	-	360000
	Mrs. Shashi Jain	-	480000
6	Purchase from Johri Mal Kamal Kishore	-	4862799.00

**Note:** The Directors have given Interest Free Unsecured Loan to the Company.

**Names of the related parties and descriptions of relationships**

1	Key Management personnel	Mr. Pradeep Kumar Jain Mr. Praveen Kumar Jain Mr. Parmod Kumar Jain Mr. Abhey Jain Mr. Kishan Jain Mr. RakeshGarg Mr. SubhashOswal Mr. Naveen Jain Mr. Bikash Narayan Mishra Mr. S. P. Chaturvedi Ms. Monisha Company Secretary
2	Relatives of key management personnel	<b>Father of Director</b> Mr. Salek Chand Jain <b>Brother of Director</b> Mr. Vinod Kumar Jain <b>Wife of Director</b> Mrs. Veena Jain Mrs. Rita Jain Mrs. Asha Jain Mrs. Monika Jain <b>Son of Director</b> Mr. Rishabh Jain Mr. Ritesh Jain Mr. Parv Jain <b>Daughter of Directors</b> Mrs. Priyanka Jain <b>HUF of Father of Director</b> M/S Salek Chand Jain (HUF) <b>HUF of Brother of Director</b> M/S Vinod Jain (HUF) <b>HUF of Directors</b> M/S Praveen Kumar Jain (HUF) M/S Pramod Kumar Jain (HUF) M/S Pradeep Kumar Jain (HUF) M/S Abhay Jain (HUF) <b>Sister of Director</b> Mrs. Shashi Jain <b>Firm of Brother in Law of Director</b>

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

		Johri Mal Kamal Kishore
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**11. SUNDRY CREDITORS:**

As per the best available information with the company, No creditor has intimated their MSME status to us and accordingly there is no amount outstanding which is payable to small scale industrial undertaking.

Further the company raised claim on its suppliers for Quality/Quantity/Rate Issues and an amount of Rs. 13,94,87,714/- included in Short term Loan and Advances as Claim Receivables. The amounts have not been realised so far and Company is regularly following up with them and is hopeful of recovery, the same has been considered as good for recovery. No provision has been created and as such company will take necessary steps for realising/recovering/adjustment for the claim as and when settled and the unrecoverable amount shall be charged in the profit & Loss Accounts.

**12. DEFERRED TAX LIABILITY:**

In view of huge accumulated losses of the company and absence of virtual certainty regarding availability of future taxable income, the management has decided not to recognise any deferred tax assets for the year ended March 31, 2015.

Further, as per the provisions of Accounting standard 22 Issued by The Institute of Chartered Accountant of India in the absence of virtual certainty of future taxable income and considering the losses, the existing deferred tax assets (net) of Rs 27,26,79,101 recognized in previous years has been derecognized in the current year.

**13. IMPAIRMENT OF ASSETS**

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

**14. 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 Accounting Standard – 17 'Accounting for Segment Reporting' issued by Institute of Chartered Accountants of India.

**Primary –**

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

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

Particulars	Paper Division	Hotel Division	Total
Segment wise Revenue			
External Revenue 2015	1923289833.00	356062239.08	2279352072.08
2014	1788441085.00	389849249.78	2178290334.78
Segment wise Results <i>before extra-ordinary Items</i>			
Segment Result 2015	(-)162294485.44	(-)296785547.63	(-)459080033.07
2014	(-)72633591.46	(-)179500015.18	(-)252133606.64
Segment wise Results <i>after extra-ordinary Items</i>			
Segment Result 2015	(-)216422771.44	(-)516644319.63	(-)733067091.07
2014	(-)72633591.46	(-)179500015.18	(-)252133606.64
Segment wise Assets			
2015	3642002706.18	435187674.16	4077190380.34
2014	3484006635.00	1004739577.86	4488746212.86
Segment wise Liabilities <i>excluding Bank Borrowings and Long term Unsecured Loan</i>			
2015	342949533.31	150531805.12	493481338.43
2014	207085826.67	104789523.52	311875350.19
Fixed Assets Addition			
2015	16630079.00	5603916.00	22233995.00
2014	20151930.15	7362780.29	27514710.44
Depreciation 2015	92874138.00	155118120.40	247992258.40
2014	104548222.51	87038383.46	191586535.97

**Geographical Segment**

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

**15. Note to Schedule III of the Balance Sheet (Security for the Term Loans & Working Capital)**

**Paper Division**

a	Working Capital Limit	First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables & other current assets of the Paper Division ranking pari-passu basis with the consortium members (OBC, PNB, SYB, IOB & Allahabad Bank).
b	Term Loan	First charge on the entire fixed assets of the Paper

**MAGNUM VENTURES LIMITED**  
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**AS ON 31<sup>ST</sup> MARCH 2015**

		Division present & future (Excluding PCC) ranking on pari-passu basis. (OBC, PNB, SYB, IOB & Allahabad Bank, Vijaya Bank).
c	Term Loan PCC	Exclusive charge on all PCC project assets in favour of Syndicate Bank. Collateral Pari-Passu second charge on the entire fixed assets of the company (present & future) along with other consortium member banks.

**Hotel Division**

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

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

**PLEDGING OF SHARES**

Presently the promoter of company has pledged the shares in favour of Lenders to the Company as Security to the tune of 70% of their shareholding in the Company. Further as per CDR 2<sup>nd</sup> Re-work package, balance 30% of their shareholding shall also be pledged and it is under process of pledging in favour of lenders.

**16. CORPORATE DEBT RESTRUCTURING**

The Company got approval from CDR EG for second rework vide LOA dated 30th December 2013. The Key Features of the re-work packages is as under:

- a) Cut Off Date : 01<sup>st</sup> April 2013
- b) Reduction in Interest Rate on Term Loans for Paper & Hotel Units, Additional WCTL and Working Capital Borrowings to 11.50% (base rate of MI + 1.25%).
- c) Reduction in Interest Rate on WCTL, FITL to 10.25% (base rate of MI).
- d) Re-payment of principal for Paper Term Loans Rs. 36.58 Cr, PCC – Rs. 24.89 Cr, FITL – Rs. 21.40 Cr, WCTL – Rs. 8.81 Cr to be made in 40 structured quarterly instalments in 10 years commencing from 30.06.13 to 31.03.23.

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

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- e) Re-payment of principal for Hotel Loans – Rs. 126.75 Cr to be made in 52 structured quarterly instalments in 13 years commencing from 30.06.13 to 31.03.26.
- f) Re-payment of Additional WCTL – Rs. 48.14 Cr to be made in 36 structured quarterly instalments in 13 years commencing from 30.06.14 to 31.03.23.
- g) Principal Instalment Repayments during the year are proposed to be serviced 10% in Qtr I, 15% in Qtr II, 40% in Qtr III and 35% in Qtr IV.
- h) Funding of interest for April – June 2013 on Term Loan and WC Limits of Rs. 8.66 Cr as FITL and to be repaid in 5 years. Interest on FITL shall be 10.25% i.e. Base Rate of MI
- i) Working Capital Limits of Rs. 46 Cr be Continue.
- j) 100% pledge of Promoter's Shareholding of the Company.
- k) The Company to sell surplus land of Rs. 40 Cr approx and its sale proceeds estimated to be realized Rs. 12 Cr in FY 13-14; Rs. 15 Cr in FY 14-15; Rs. 7 Cr in FY 15-16 and Rs. 6 Cr in FY 16-17.
- l) Promoters to bring in Rs. 9.93 Cr i.e. 25% of Sacrifice of Rs. 39.73 Cr, before implementation of package and Rs. 5 Cr p.a. from FY 2014-15 till all the loans are repaid in full.
- m) Bank's Sacrifice: Total Bank's Sacrifice is Rs. 39.73 Cr out of which; Company will issue Zero Coupon Non Convertible Debentures of Rs. 34.12 Cr redeemable on 31.03.2026. These NCDs shall be secured by first pari-passu charge on fixed assets of the company and charge shall be created accordingly.

As per CDR Circular, the package should be implemented within 120 days i.e. by April 23, 2014 by all the banks without waiting for their individual sanctions for the restructuring package. However banks wait for sanction from the authorities and the MRA & other documents were signed on 31st July 2014 and implementation of package in the system by Banks is pending at their end.

As per CDR package, Promoters has inducted Rs. 10.05 Cr against the stipulated contribution of Rs. 9.93 Cr before 31st March 2014.

As per CDR Package, promoters signed and submitted the documents to the lenders for pledging their balance 30% shareholding.

As per CDR Package, The company has to sell surplus land situated at A-35/1 and A-40/2 Sahibabad Industrial Area, Ghaziabad. The Company submitted request to UPSIDC for sub-division of plots in August 2014 and entered into agreement to sell with the parties to sell the plots after sub-division from UPSIDC and collected advance of Rs. 7.85 Cr during FY 13-14 & FY 14-15. The Sub-division of the plots is pending at UPSIDC and sales documents of these plots shall be executed after subdivision permission from UPSIDC.

**MAGNUM VENTURES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**  
**AS ON 31<sup>ST</sup> MARCH 2015**

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As per CDR package, Non Convertible Debenture (Zero Coupon Bond) of Rs. 34.12 Cr has been issued by the company on 31st March 2014 in favour of lenders for their sacrifice repayable on 31<sup>st</sup> March 2026.

Further as per RBI Guideline & CDR Circular on Re-structuring, The Banks has to classify the re-structured account as sub-standard. Hence all banks categorized our account as sub-standard.

The Company recorded the interest (including the provision) on term loans and working capital as per interest rate stipulated in the CDR 2nd re-work package.

17. The Accumulated losses of the company as on March 31, 2015 are more than the net worth of the Company.
18. The Company had filed a case against Shree Laxmipati Balajee (Trader) for recovery of One Crore before the Honb'le District Court Ghaziabad, Uttar Pradesh u/s 138 of Negotiable Instrument Act, 1881.
19. Previous year figure have been regrouped and reclassified wherever considered necessary to make them comparable to those of the current year.
20. All other information required to be given is either Nil or Not applicable.
21. Figures in {brackets} pertain to the previous year.

Note 1 to 22 forms an integral part of the Balance Sheet as at 31<sup>st</sup> March 2015 and has been authenticated as such.

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**As per our report of even date For and on behalf of the Board Of Directors**

**Aggarwal & Rampal Chartered Accountants**  
**Firm Reg. No. 003072N**

**S/d**  
**Vinay Aggarwal**  
**(Partner)**  
**Membership No.082045**

**S/d**  
**(Pradeep Kumar Jain)**  
**Managing Director**  
**DIN**

**S/d**  
**(Abhey Jain)**  
**Director**  
**DIN**

**S/d**  
**(Pramod Kumar Jain)**  
**(Chief Financial Officer)**

**S/d**  
**(Monisha Choudhary)**  
**(Company Secretary)**

**Place: New Delhi**  
**Date: 04.05.2015**



**MAGNUM VENTURES LIMITED**

CIN : L21093DL1980PLC010492  
Regd. Office : 685, Chitla Gate, Chawri Bazar, delhi-110006  
Ph. No. : 91-0120-4199200 (100 lines) Fax No. : 91-0120-4199234  
E-mail : magnumventures@gmail.com Website : www.magnumventures.in

## ELECTRONIC VOTING PARTICULARS

EVEN (Remote E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	From 09.00 a.m. (IST) on September 22, 2015
End of remote e-voting	Upto 05.00 p.m. (IST) on September 24, 2015

- The cut-off date (i.e. the record date) for the purpose of remote e-voting is 18th September, 2015.
- Please refer to the attached AGM Notice for instructions on remote E-Voting.

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**MAGNUM VENTURES LIMITED**

CIN : L21093DL1980PLC010492  
Regd. Office : 685, Chitla Gate, Chawri Bazar, delhi-110006  
Ph. No. : 91-0120-4199200 (100 lines) Fax No. : 91-0120-4199234  
E-mail : magnumventures@gmail.com Website : www.magnumventures.in

## ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : \_\_\_\_\_

Name & Address of First/Sole Shareholder :

No. of Shares held :

I hereby record my presence at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 25<sup>th</sup> day of September, 2015 at 11:00 A.M. at Galib Institute, AIWAN-E GALIB MARG, New Delhi-110002

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Signature of Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

The procedure and instructions for remote e-voting as given in the Notice of the 35th Annual General Meeting are again reproduced hereunder for easy reference:

- I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
  - a. Open e-mail and open PDF file viz. "MVL-remote e-Voting.pdf" with your client ID or Folio No. as password. The said file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-Login.
  - d. Put user ID and password as initial password noted in step (a) above. Click Login.
  - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "**Magnum Ventures Ltd.**".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [agrawal.kundan@gmail.com](mailto:agrawal.kundan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. **In case of Members receiving Physical copy of Notice of the Meeting (for members whose email addresses are not registered with the Company/Depository Participants(s) or requesting physical copy)**
  - a. Initial password is provided in the box overleaf.
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- IV. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 18, 2015.
- VII. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2015, will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper.
- X. The Company has appointed M/s Munish K. Sharma & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.magnumventures.com](http://www.magnumventures.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

**Magnum Ventures Limited**  
(Formerly known as Magnum Papers Limited)

**Form No. MGT-11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: L21093DL1980PLC010492

Name of the Company: **Magnum Ventures Limited.**

Registered office: 685, Chitla Gate, Chawri Bazar, Delhi-110006

Name of the member(s):

Registered address:

E-mail Id: Folio No/ DP ID and Client Id:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name:

Email Id:

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

2. Name:

Email Id:

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

3. Name:

Email Id:

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual general meeting of the company, to be held on Friday, the 25<sup>th</sup> day of September, 2015 at 11:00 a.m. at Galib Institute, AIWAN-E-GALIB Marg, New Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1.	Consideration and adoption of Annual audited accounts and Reports for the financial year ended 31st March, 2015		
2.	Re-election of Mr. Praveen Kumar Jain as Director of the Company, who retires by rotation		
3.	Re-election of Mr. Shiv Prवेश Chaturvedi as Director of the Company, who retires by rotation		
4.	Appointment of M/s. Aggarwal & Rampal, as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2016		
5.	Appointment of Ms. Monisha Chaudhary as Director of Company		
6.	To ratify the remuneration of Cost Auditors for the financial year 2015-16		
7.	To re-appoint Mr. Abhey Kumar Jain as Whole-Time Director of the Company for a period of 3 years commencing on December 10, 2014		
8.	To re-appoint Mr. Pradeep Kumar Jain as Managing Director of the Company for a period of 3 years commencing on February 4, 2016		

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.