

Magnum Ventures Limited

CIN: L21093DL1980PLC010492

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Date: 8th July, 2025

To BSE Limited Phiroze JeeJeebhoy Towers, Dalal Street, Fort Mumbai-400001	To National Stock Exchange India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra(E) Mumbai-400 051
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Sub: Intimation of Rating under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code

BSE: 532896

NSE: MAGNUM

Dear Sir/ Madam,

Pursuant to Regulation 30 and 51 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "Regulations") read with Schedule III, please find below the ratings assigned and reaffirmed by **Acuité Ratings & Research Limited** vide their press release dated 8th July 2025, for the Company as follows:

Press Release
Magnum Ventures Limited
July 08, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	240.00	ACUITE BB Stable Assigned	-
Non Convertible Debentures (NCD)	180.00	ACUITE BB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	420.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

The press release by **Acuité Ratings & Research Limited** is enclosed.

You are requested to kindly note the same.

Thanking You

Yours Sincerely,

For Magnum Ventures Limited



Aaina Gupta

Company Secretary cum Compliance Officer



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Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB'** (read as **ACUITE double Bo**)n the Rs. 180.00 Cr. Non-Convertible Debentures of Magnum Ventures Limited. The outlook is '**Stable**'.

Acuite has assigned the long-term rating of '**ACUITE BB'** (read as **ACUITE double Bo**)n the Rs. 240.00 Cr. Proposed Non-Convertible Debentures of Magnum Ventures Limited. The outlook is '**Stable**'.

Rationale for Reaffirmation

The rating reaffirmation factors in the improvement in the EBITDA margins of the company which stood at 19.64% in FY25 as compared to 11.68% in FY24 albeit a decline in the operating income of the company from Rs. 396.24 Cr. in FY25 as against Rs. 461.21 Cr. in FY24 because of decrease in the realizable sales value of paper products. The improvement in the margins was noticed on account of upgraded machinery leading to increased efficiency and the change in the raw material costs. The company's rating also considers the stable profit margins and operating income generated from its hotel segment. Additionally, the company has proposed to refinance its existing debt obligations through the issuance of new Non-Convertible Debenture amounting to Rs. 240 Cr. This refinancing is expected to reduce the coupon rate and extend the repayment tenure. The proceeds from the new NCD will be allocated towards settling the Rs. 170 Cr. debt, funding capital expenditure of Rs. 40 Cr. in the paper segment, and meeting working capital requirements of Rs. 30 Cr. Further, the rating takes note of the capex plans worth Rs. 90 Cr. being undertaken by the company which is expected to be completed by the end of FY26. The rating is however constrained by the increased working capital requirements on account of increased inventory.

About the Company

Magnum Ventures Limited, incorporated in 1980, is a Delhi based company, engaged in trading and manufacturing of Newspaper, printing paper, grey, duplex boards and also owns and operates a Hotel under the name "Country Inn & Suites by Radisson" managed by the Radisson group. The paper unit has a capacity of 85,000 metrics tons per annum for manufacturing of Newspaper, printing paper, grey, duplex boards. The hotel property located at Sahibabad, in the National Capital Region, comprises 216 rooms in four categories i.e. 64 Standard Rooms, 76 Superior Rooms, 70 Club Rooms, 6 Executive Suites, 9 banquet halls, 5 restaurants, 52-seater room theatre and 60,000+ sq. ft. of meeting space. The hotel holds the distinction of being the first all-vegetarian establishment to receive a formal 5-star certification from the HRACC, Ministry of Tourism. To expand its food and beverage business, the company has launched a new restaurant under the "Little Italy" franchise. Company also has an inhouse 6 MW Thermal power plant for captive consumption. Shiv Pravesh Chaturvedi, Parveen Jain, Abhay Jain, Pardeep Kumar Jain, Jyoti, Shalini Rahul, Aanchal Jain and Jyoti Bansal are currently directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone approach on the business and financial risk profile of Magnum Ventures

Key Rating Drivers

Strengths

Moderate Financial Risk Profile

The financial risk profile of the company is moderate marked by net-worth of Rs. 215.30 Cr. as on 31st March 2025 against Rs.153.68 Cr. as on 31st March 2024. The improvement has been noticed because of the internal accruals and increase in the issued share capital by Rs. 7.53 Cr. due to share warrants issued and allotted with a premium of Rs. 37.5 Cr. The total debt of the company is Rs. 208.13 Cr. as on 31st March 2025 against Rs. 198.60 Cr. as on 31st March 2024. The increase in the debt has been noticed because of the NCD of Rs. 15 Cr. allotted in FY25. The gearing stands below unity at 0.97 times in FY25 against 1.29 times in FY24. The improvement has been noticed on account of increased net worth of the company. Additionally, the company has proposed to refinance its existing debt obligations through the issuance of new Non-Convertible Debenture amounting to Rs. 240 Cr. This refinancing is expected to reduce the coupon rate and extend the repayment tenure. The proceeds from the new NCD will be allocated towards settling the Rs. 170 Cr. debt, funding capital expenditure of Rs. 40 Cr. in the paper segment, and meeting working capital requirements of Rs. 30 Cr. Further, the interest coverage ratio of the company stood at 2.42 times in FY25 against 12.06 times in FY24. The moderation in the interest coverage ratio has been noticed because of high interest of 18% on the NCDs of the company. The debt service coverage ratio stood at 1.98 times in FY25 against 0.99 times in FY24. The TOL/TNW stood at 2.11 times in FY25 against 2.96 times in FY24. Acuité believes that the financial risk profile of MVL is likely to remain moderate over the medium term due to the inclusion of incremental debt and the interest repayments attached to it.

Moderation in scale of operations and improvement in profitability margins

The company has achieved a revenue of Rs. 396.24 Cr. in FY25 as against Rs. 461.21 Cr. in FY24. The decrease of 14.09% is attributed to the decline in the realizable value of paper products and stagnancy in scale of operations in hotel business. The EBITDA margins of the company stood at 19.64% in FY25 as compared to 11.68% in FY24. The improved EBITDA margins has been driven by the strategic transition to the utilization of cost-effective raw materials in the manufacturing of paper products, coupled with initiatives to improve operational efficiency within the paper division through targeted capital expenditure. Additionally, the company has focused on producing value-added paper products and has experienced a shift in the consumer profile, further contributing to this margin improvement. The PAT margins of the company stood at 2.40% in FY25 as compared to 5.36% in FY24. The decline in the PAT margins is noticed majorly because of the increase in the interest cause stemming from the Rs. 180 Cr. 18% Non-Convertible Debentures which were allotted on 11th March 2024. Going forward, the company is likely to improve the topline on account of better demand of value-added paper products in medium term.

Established Track record of operations and Experienced management

MVL engaged in trading and manufacturing of Newspaper, printing paper, grey and duplex boards for more than forty years. It also runs a hotel under the name "Country Inn & Suites by Radisson" which is managed by the Radisson group. Mr. Shiv Pravesh Chaturvedi, Mr. Parveen Jain, Mr. Abhay Jain, Mr. Pardeep Kumar Jain, Ms. Jyoti, Ms. Shalini Rahul, Ms. Aanchal Jain and Ms. Jyoti Bansal are currently directors of the company. The average occupancy rate of the hotel has been around 87.25% for FY25. Further, the average room rates have also improved significantly in FY2025 as compared to previous years. Acuité believes that the average occupancy rate of the hotels will be at comfortable levels in the medium term.

Weaknesses

Intensive Working Capital Operations

The working capital operations of the company remained intensive marked by GCA days which stood at 137 days as on as on 31st March 2025 against 108 days as on 31st March 2024. The inventory days of the company stood at 73 days as on 31st March 2025 against 38 days as on 31st March 2024. The company has been trying to maintain adequate inventory of raw and finished good to safeguards itself from any kind of short-term price volatility in the market. The debtor days of the company stood at 54 days as on 31st March 2025 against 51 days as on 31st March 2024. This was because the credit terms with the customers were on the similar lines. On the other hand, the creditor days of the company stood at 87 days as on 31st March 2025 against 54 days as on 31st March 2024. The company tried to manage its working capital requirements by stretching the credit terms with the suppliers, however, they are going to raise Rs. 30 Cr. through NCDs that will help them to support the working capital requirements soon. Acuité believes that MVL is likely to stay on the same lines on account of high inventory albeit increased funds for working capital requirements.

Highly fragmented and competitive industry

In paper division- The Company is operating in highly competitive and fragmented industry. It is exposed to intense competition from several players operating in the industry. The kraft paper manufacturers in India are exposed to

the risk of volatility in wastepaper prices, largely due to intense competition. Because of competitive pressures, players face challenges in passing on increased costs to end users. Business risk profile will remain constrained by exposure to the downturn in the paper industry. The rise in the prices of duplex paper over that of wastepaper is expected to be gradual, rendering the profitability susceptible to volatility in the price of paper. Furthermore, any abrupt change in raw material prices due to supply-demand scenario can lead to distortion of prices and affect the profitability of the company.

In hotel division- The hospitality sector is vulnerable to downturns in both the domestic and global economy. It is also sensitive to high competition and cyclical. In a downturn, premium hotels are more negatively impacted because, despite high operating costs, their revenue per available room falls more precipitously than that of midsized or budget hotels. As a result, the cash flow from premium properties is more vulnerable to economic downturns. Also, the Indian hotel business is seeing fierce rivalry as a result of the expansion of domestic players and the growing presence of overseas competitors.

ESG Factors Relevant for Rating

The company is committed to environmental, social, and governance (ESG) principles, emphasizing sustainability and responsibility. The company promotes eco-friendly practices through ventures like a vegetarian hotel and recycled paper manufacturing, reducing deforestation and supporting ecological balance. It prioritizes using sustainable resources, recycling waste, minimizing fossil fuel use, and lowering its carbon footprint. Socially, it invests in people, fosters a positive organizational culture, and maintains strong customer relationships. The company adheres to ethical standards, strategic clarity, and aligns with UN Sustainable Development Goals, ensuring long-term sustainable growth while actively protecting the environment.

Rating Sensitivities

Movement in the scale of operations and sustenance of profitability.
Movement in the cost of CAPEX plans.

All Covenants

1. Escrow Accounts:

The issuer undertakes and agrees as follows:

- to establish, maintain and operate each of the Escrow Accounts in accordance with the trust deed and the Escrow Agreement;
- to not close any Escrow Account prior to the Final Settlement Date without the consent of debenture trustee;
- on and from the Deemed Date of Allotment, all the receivables of the issuer in relation to the Hotel Division and Paper Division should be deposited to the escrow account of the Hotel division and Paper Division respectively and should be utilized in accordance with the escrow agreement;
- the Escrow Accounts shall be operated solely in accordance with the Escrow Agreement and withdrawals from the same shall be permitted only as per the Escrow Agreement.

2. Subordinated Debt:

The Issuer may avail Subordinated Debt from a member of the Promoter Group on or after the Deemed Date of Allotment provided that:

- the aggregated subordinated debt and the existing financial indebtedness availed by the issuer from the promoter group is at all times Rs. 15.00 Cr. or less.
- the subordinated debts carry a coupon/interest of a maximum of 6%.

3. Security Cover:

The issuer should ensure that the security set out is at all times sufficient to provide at least 100% security cover in relation to the Debenture Outstanding.

4. Financial Covenants:

The Issuer shall ensure compliance with financial covenants till the final settlement date to the satisfaction of the debenture trustee. The issuer undertakes to submit all the necessary documents, information and certification as may be required by the debenture trustee to evidence compliance with the financial covenants.

Liquidity Position Adequate

The liquidity profile of the company is adequate. The company generated a net cash accrual of Rs. 55.30 Cr. as on as on 31st March 2025 against the debt repayment obligations of Rs. 12.00 Cr. in the same period. The company is expected to have sufficient accruals (annually ~ Rs. 35 Cr. to Rs. 45 Cr.) to fulfil the debt repayment obligations in the medium term. The current ratio of the company improved to 1.65 times as on 31st March 2025 against 1.69 times as on 31st March 2024. The NCA/TD stood at 0.27 times in FY25 as against 0.35 times in FY24. The

decline has been noticed because of decreased cash accruals and increased debt in FY25. The company does not have any kind of working capital debt facility and is using the capital funds for fulfilling the working capital requirements. The Company is also undertaking capex of Rs. 90 Cr. to further upgrade the machinery for manufacturing value added paper products. Acuité believes that the liquidity of MVL is likely to remain adequate over the medium term on account of adequate accruals in the medium term that will help the company to repay its debt obligations.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	396.24	461.21
PAT	Rs. Cr.	9.50	24.70
PAT Margin	(%)	2.40	5.36
Total Debt/Tangible Net Worth	Times	0.97	1.29
PBDIT/Interest	Times	2.42	12.06

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Jul 2025	Non-Convertible Debentures (NCD)	Long Term	150.00	ACUITE BB Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	15.00	ACUITE BB Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	15.00	ACUITE BB Stable (Reaffirmed)
13 Dec 2024	Non-Convertible Debentures (NCD)	Long Term	150.00	ACUITE BB Stable (Upgraded from ACUITE C)
	Proposed Non Convertible Debentures	Long Term	30.00	ACUITE BB Stable (Assigned)
30 May 2024	Non-Convertible Debentures (NCD)	Long Term	150.00	ACUITE C (Assigned)
	Proposed Non Convertible Debentures	Long Term	5.00	ACUITE Not Applicable (Withdrawn)
23 Jan 2024	Proposed Non Convertible Debentures	Long Term	5.00	ACUITE Provisional C (Assigned)
	Proposed Non Convertible Debentures	Long Term	150.00	ACUITE Provisional C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE387I07013	Non-Convertible Debentures (NCD)	11 Mar 2024	18	31 Aug 2027	150.00	Simple	ACUITE BB Stable Reaffirmed
Not Applicable	INE387I07013	Non-Convertible Debentures (NCD)	18 Mar 2025	18	31 Aug 2027	15.00	Simple	ACUITE BB Stable Reaffirmed
Not Applicable	INE387I07013	Non-Convertible Debentures (NCD)	18 Feb 2025	18	31 Aug 2027	15.00	Simple	ACUITE BB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	240.00	Simple	ACUITE BB Stable Assigned

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.