

# **33<sup>RD</sup> ANNUAL REPORT**

**2012-2013**

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## **MAGNUM VENTURES LIMITED**

**(Previously known as 'Magnum Papers Limited')**

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**SAHIBABAD, GHAZIABAD (U.P.)**

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

**33<sup>rd</sup> ANNUAL REPORT – 2013**

**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>Bikash Narayan Mishra</b>	<i>Nominee-Director</i>

<p><b><u>COMPANY SECRETARY</u></b> Anant Prakash</p>	<p><b><u>REGISTERED OFFICE</u></b> 685, Chitla Gate, Chawri Bazar Delhi - 110 006</p>
<p><b><u>CHARTERED ACCOUNTANTS</u></b> Sunil K. Mittal &amp; Co. Chartered Accountants, 8 - D, Hansalya, 15, Barakhamba Road, New Delhi-110001</p>	<p><b><u>CORPORATE OFFICE</u></b> 18/31, Site IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201010</p>
<p><b><u>COST AUDITORS</u></b> M/s V.K. Dube &amp; Co. Cost Accountants, T II/206, Gulmohar Enclave, Nehru Nagar-II Ghaziabad, U.P.</p>	<p><b><u>WORKS</u></b>  18/41, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh - 201 010</p>
<p><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</p>	<p>64/3, 4, 5 &amp; 6 Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh - 201 010</p> <p><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></p>

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**CHAIRMAN'S SPEECH**

**Dear Shareholders,**

It is my pleasure to extend a very warm welcome to all of you to your Company's 33<sup>rd</sup> Annual General Meeting.

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

**Hotel Unit**

Our Hotel has huge banqueting venues for corporate conferences, social functions with accommodation up to 3000 guests and all other facilities like Business Centre, Swimming Pool, Bar, Saloon and Health Club etc. as per five star standards. Bollywood has also accepted our company's Hotel for various film shootings.

Hotel Unit has earned revenue of Rs 4738.69 Lacs during the fiscal year 2012-13 against Rs 5312 Lacs during the fiscal year 2011-12. Decline in Gross Turnover is 10.79% due to downfall in room revenue. With revenue of Rs. 4738.69 Lacs Hotel Unit made EBIDTA of Rs. 1558.45 Lacs during the current year.

**Paper Unit:**

Last year Government of India, Ministry of Commerce & Industry has included the name of the Company through Gazette of India in 109<sup>th</sup> Position in the Schedule to Newsprint Control (Amendment) Order, 2004. This inclusion by Government of India will boost the sale of newsprint produced by your Company.

The production of paper during April, 2012 to March, 2013 has been 59901 MT. The Company earned EBIDTA of Rs. 999.83 Lacs from its Paper unit during the fiscal year 2012-13 against Rs. 14323.70 Lacs net revenue during the fiscal year 2011-12.

Depreciation of Rs. 2109.67 Lacs and Interest accrued Rs. 4518.57 Lacs during the year forced the Company to suffer loss of Rs.30.48 Lacs. The main reasons for not recovery of Depreciation and Interest in total are as under:

1. High Inflation rate faced by Indian economy.
2. Coal Price, Petroleum Products, Transportation Cost on Peak Levels.
3. Rate of Interest increased time to time by bankers during the year.
4. Declining in hotel rooms and occupancy rates.
5. High Competition and low operating Margin.

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

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, bankers 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 **33<sup>rd</sup> Annual General Meeting** of the Members of the Company will be held on **Tuesday, 13<sup>th</sup> August, 2013 at 3:00 P.M. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002** to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Praveen Kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Abhey Kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s Aggarwal & Rampal, Chartered Accountants as Auditors of the Company in place of outgoing Auditors i.e., M/s Sunil K. Mittal & Co., Chartered Accountants to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

**Special Business**

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

**“RESOLVED** that pursuant to the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, provisions of SEBI Act and SEBI’s Guidelines and listing agreement and other applicable provisions, if any, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of Members be and is hereby accorded for increase of the Authorised Share Capital of the Company from Rs. 64,00,00,000 (Rupees Sixty Four Crore only) divided into 3,90,00,000 (Three Crore Ninety Lakh) Equity Share of Rs.10/- (Rupees Ten) each and 25,00,000 (Twenty Five Lakh) Preference Share of Rs. 100/- (Rupees One Hundred) each to Rs. 69,00,00,000/- (Rupees Sixty Nine Crore only) divided into 3,90,00,000 (Three Crore Ninety Lakh) Equity Share of Rs.10/-(Rupees Ten) each and 30,00,000 (Thirty Lakh) Preference Share of Rs. 100/- (Rupees One Hundred) each with power to increase, reduce, reorganise, consolidate, divide and/ or sub-divide the share capital or reclassify them into several classes and attach thereto respectively, such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to divided, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the laws, rules, regulations or resolutions of the Company or provided for in the Articles of Associations of the Company..

**RESLOVED FURTHER** that the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new “Clause V”:

V. The Authorised Share Capital of the Company is Rs. 69,00,00,000/- (Rupees Sixty Nine Crore only) divided into 3,90,00,000 (Three Crore Ninety Lakh) Equity Share of Rs. 10/- (Rupees Ten) each and 30,00,000 (Thirty Lakh) Preference Share of Rs. 100/- (Rupees One Hundred) each with power to increase, reduce, reorganise, consolidate, divide and/ or sub-divide the share capital or reclassify them into several classes and attach thereto respectively, such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to divided, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the laws, rules, regulations or resolutions of the Company or provided for in the Articles of Associations of the Company.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take all such steps and actions including delegation of power and give such directions as may be necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the members or otherwise to end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, and provisions of Articles of Association of the Company, Mr. Abhey Kumar Jain, Whole-Time Director of the Company be paid a remuneration not exceeding Rs.

100,000/- (Rupees One Lakh only) per month inclusive of all perquisites and allowances with effect from 1<sup>st</sup> April, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, etc. within the above prescribed limits.”

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

**RESOLVED THAT** pursuant to the provisions of Section 198, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, and provisions of Articles of Association of the Company, Mr. Pradeep Kumar Jain, Managing Director of the Company be paid a remuneration not exceeding Rs. 100,000/- (Rupees One Lakh only) per month inclusive of all perquisites and allowances with effect from 1<sup>st</sup> April, 2013.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, etc. within the above prescribed limits.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 309, 310 and 314 of the Companies Act, 1956 and other applicable provisions, if any, and provisions of Articles of Association of the Company, Mr. Pramod Kumar Jain, Director of the Company be and is hereby also appointed as Director-Sales & Marketing with effect from 1st April, 2013 on a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) per month inclusive of all perquisites and allowances.”

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

**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions, if any, Articles of Association of the Company, Mr. Vinod Kumar Jain be and is hereby appointed as President of the Company with effect from 1<sup>st</sup> April, 2013 on a remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) per month inclusive of all perquisites and allowances.

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

**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions, if any, Articles of Association of the Company, Mr. Ritesh Jain be and is hereby appointed as Vice-President of the Company with effect from 1st April, 2013 on a remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) per month inclusive of all perquisites and allowances.

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

**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions, if any, Articles of Association of the Company, Mr. Rishab Jain be and is hereby appointed as Vice-President of the Company with effect from 1<sup>st</sup> April, 2013 on a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) per month inclusive of all perquisites and allowances.

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

Sd/-

**PRADEEP KUMAR JAIN**  
Managing Director

Date : 20<sup>th</sup> July, 2013  
Place : Delhi

**Notes:**

**A. Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.

**B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

**C. Members/Proxies/Authorised Representatives** attending the meeting are requested to bring their copy of Annual Report to the Meeting.

**D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.

**E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 9<sup>th</sup> August, 2013 to Tuesday, 13<sup>th</sup> August, 2013 (both days inclusive) for the purpose of the AGM.

**F. Address Change Intimation:** Members are requested to notify any change in their address/ bank details immediately to the Share Transfer Agent of the Company- **M/s Mas Services Limited.**

**G. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11:00 A.M. and 2:00 P.M. up to the date of Annual General Meeting.

**H.** The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be re-appointed is given in the Corporate Governance Report attached with the Directors' Report.

**Annexure to Notice:**

**Explanatory statement pursuant to Sections 173 (2) and 192A of the Companies Act, 1956**

**ITEM NO. 4**

M/s Sunil K Mittal & Co., Chartered Accountants, Auditors of the Company has shown their unwillingness to be re-appointed as Auditors for Financial year 2013-14 due to their pre-occupations and tendered resignation letter on 4<sup>th</sup> July, 2013. M/s Aggarwal & Rampal, Chartered Accountants has shown their willingness to be appointed as Auditors of the Company for the Financial Year 2013-14 and tendered his consent to act as Auditors of the Company vide letter 5<sup>th</sup> July, 2013. The Company has received the consent letter and certificate under Section 224(1B) from M/s Aggarwal & Rampal, Chartered Accountants. Your Directors recommend the appointment of M/s Aggarwal & Rampal, Chartered Accountants as Auditors of the Company and if appointed, shall hold office until the conclusion of the next Annual General Meeting.

**ITEM NO. 5**

1. As per Section 94 (1) (a) of the Companies Act, 1956 a Company may, by Ordinary resolution, increase its share capital by such amount as it thinks expedient by issuing new shares.
2. In light of above, your Directors plans to introduce the additional owners' fund in the Company to improve the net worth of the Company which further needs clause V of Memorandum of Association of the company to be altered to increase authorised capital of the Company.
3. Your Directors seeks your approval by way of Ordinary Resolution, to give effect to alteration in clause V of Memorandum of Association of the Company.
4. None of the Director is interested in this resolution except as member of the Company.

**ITEM NO. 6**

1. Mr. Abhey Kumar Jain is the Whole-Time Director of your Company.
2. Mr. Abhey Kumar Jain is devoting all his time in the business of the Company, but he not being paid any remuneration.

3. The Board has decided to compensate the time and efforts spent by him for the business operations of the Company.
4. Remuneration Committee of the Board has approved the proposed remuneration.
5. To confirm the remuneration of Mr. Abhey Kumar Jain as mentioned in the resolution, your approval, through ordinary resolution, is necessary.

**ITEM NO. 7**

1. Mr. Pradeep Kumar Jain is the Managing Director of your Company.
2. Mr. Pradeep Kumar Jain is devoting all his time in the business of the Company, but he not being paid any remuneration.
3. The Board has decided to compensate the time and efforts spent by him for the business operations of the Company.
4. Remuneration Committee of the Board has approved the proposed remuneration.
5. To confirm the remuneration of Mr. Abhey Kumar Jain as mentioned in the resolution, your approval, through ordinary resolution, is necessary.

**ITEM NO. 8**

1. Mr. Pramod Kumar Jain is the Director of your Company.
2. Mr. Pramod Kumar Jain is devoting all his time in the business of the Company, but he not being paid any remuneration.
3. The Board of your Company has decided to appoint him as Director-Sales & Marketing and compensate the time and efforts spent by him for the business operations of the Company.
4. Remuneration Committee of the Board has approved the proposed remuneration.
5. Mr. Pramod Kumar Jain is also relative of the directors of the Company, which attracts Section 314 of the Companies Act, 1956 for payment of remuneration to relative of Directors, which require your approval through Special Resolution.

**ITEM NO. 9**

1. Mr. Vinod Kumar Jain is appointed as President of the Company w.e.f 1<sup>st</sup> April, 2013.
2. Mr. Vinod Kumar Jain, aged about 64 years, is one of the promoters of the Company. He holds Bachelors' Degree in Arts stream and having an experience of 44 years in the paper industry.
3. Mr. Vinod Kumar Jain is also relative of the directors of the Company, which attracts Section 314 of the Companies Act, 1956 for payment of remuneration to relative of Directors, which require your approval through Special Resolution.

**ITEM NO. 10**

1. Mr. Ritesh Jain is appointed as Vice-President of the Company w.e.f 1<sup>st</sup> April, 2013.
2. Mr. Ritesh Jain, aged about 32 years, holds Diploma Degree in Business Development from The University of Nottingham, U.K. and having an experience of 10 years in the paper industry.
3. Mr. Ritesh Jain is relative of the directors of the Company, which attracts Section 314 of the Companies Act, 1956 for payment of remuneration to relative of Directors, which require your approval through Special Resolution.

**ITEM NO. 11**

1. Mr. Rishab Jain is appointed as Vice-President of the Company w.e.f 1<sup>st</sup> April, 2013.
2. Mr. Rishab Jain, aged about 28 years, holds Bachelors' Degree in Business Administration from Brunel University, London and having an experience of 6 years in the paper industry.
3. As Mr. Rishabh Jain is also relative of the directors of the Company, which attracts Section 314 of the Companies Act, 1956 for payment of remuneration to relative of Directors, which require your approval through Special Resolution.

## **DIRECTORS' REPORT**

**Dear Members**

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2013. 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, 2013</b>	<b>Financial Year ended 31st March, 2012</b>
Total Income	19,062.40	19,715.94
Total Expenditure	23,132.36	22,681.66
Profit /(Loss) before tax	-4069.96	-2965.72
Effect of Extra Ordinary Item (Change in Depreciation Method)	4033.96	NIL
Provision for tax	NIL	NIL
Wealth Tax	0.76	NIL
Income Tax for Earlier Years	NIL	NIL
Provision for Deferred Tax Liabilities	-6.28	-930.12
Profit after tax	-30.48	-2035.60
Balance b/f from Last Year	- 4149.38	-2113.78
Balance Carried to Balance Sheet	-4179.87	-4149.38
Transfer to Reserve	NIL	NIL
Paid-up Share Capital	6260.19	3760.19
Reserves and Surplus (excluding revaluation reserve)	-312.05	-281.57
Earning per share	-.08	-5.41

### **YEAR IN RETROSPECT**

During the year under review, total income of the Company was Rs.19,062.40 Lacs as against Rs. 19,715.94 Lacs in the previous year. Depreciation of Rs.2109.67 Lacs and Interest accrued Rs. 4518.58 Lacs during the year forced the company to suffer loss of Rs. 30.48 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 Cost on Peak Levels.
3. Rate of Interest increased time to times by bankers during the year.
4. Declining in hotel rooms and occupancy rates.
5. High Competition and low operating Margin.

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

The company has changed the method of depreciation on plant and machinery of paper business from WDV to straight-line method which is now in line with the depreciation method followed by most of the players in the same industry. This depreciation method reflects correct net worth/ profitability position of the Company and as such in the interest of the Company and its shareholders.

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 to meet out the challenges of recession in our existing final product "Writing and Printing Paper" 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 and Paper Board
- b) Newsprints

**Benefits of Manufacturing Newsprints**

- 1. Demand for Newsprints paper is not affected by recession.
- 2. The realization of payment is fast and no bad debts.
- 3. Final Product is exempt from Excise Duty
- 4. Since last two-three years the demand of writing and printing paper is fallen down which results in operating loss to the Company.

As per the separate Books of Account maintained by the Company for Paper and Paper Board (Excisable) and Newsprints (Exempted), results from the Newsprints manufacturing and sale achieved by the company during the Fiscal year 2011-12 and 2012-13 are as under:

(In MT)

<b>Particular</b>	<b>2012-13</b>	<b>2011-12</b>
Production	28358.47	19406.98
Sale	28213.66	19439.21

**HOTEL DIVISION**

The Hotel Division started its operation w. e. f. 15-02-2009, the Hotel is having category “FIVE STAR” the hotel is doing well. The Hotel is having “TWO WINGS” which is as under:

- a) **Wing 1** is the lower part of the building which consists of Two Basement, Ground Floor, Mezzanine Floor, Service Floor and First Floor.
- b) **Wing 2** Consists of 5 Floors, Floor No 2 to 6. Floor from number 2 to 6 provide Rooms and restaurants for the customers.

The Company is maintaining separate records for WING I and WING II, the financial results of the Company for the year 2011-12 and 2012-13 are as under:

(In Rs. Lacs)

<b>Particular</b>	<b>2012-13</b>	<b>2011-12</b>
Net Revenue	4738.69	5312
EBIDTA	1558.45	2106

**MATERIAL CHANGES ETC.**

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e., 31st March, 2013 and the date of this Report.

**DIVIDEND**

As the Company has suffered losses, due to the increase in the raw material cost, increase in the excise duty, hike in the Petroleum products worldwide, increase in the Coal price by the Central Govt. many times during the financial year, declining in the hotel rooms and occupancy rates and increase in the 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, 2013.

**PUBLIC DEPOSITS**

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

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

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

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

**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	50.79
	Hotel	18.28
Total Export:	Paper	Nil
	Hotel	Nil

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

Total Foreign Exchange Inflow	918.08
Total Foreign Exchange outflow	74.27

**PARTICULARS OF EMPLOYEES**

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

**DIRECTORS**

During the year, nominee of Punjab National Bank, Mr. Kamal Prasad, Nominee Director of Company ceased to be director of the Company on 22<sup>nd</sup> March, 2013 and Mr. Bikash Narayan Mishra is appointed as Nominee Director of the Company on the same date. Punjab National Bank has informed the Company vide letter dated 11<sup>th</sup> February, 2013 that the reason for the change of nominee was reconstitution of Bank's Circles, the branch located at Mohan Nagar, Ghaziabad, where the accounts of the Company being maintained, has been shifted from the jurisdiction of Circle Office, Meerut to the Circle Office, NCR, Noida. Hence, Punjab National Bank nominated Mr. Bikash Narayan Mishra, Circle Head, NCR Noida to hold the office of Nominee Director in the Company.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Praveen Kumar Jain and Mr. Abhey Kumar Jain are liable to retire by rotation and being eligible offer themselves for re-appointment.

The brief resumes of the directors who are to be 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.

**AUDITORS**

M/s Sunil K Mittal & Co., Chartered Accountants, Auditors of the Company has shown their unwillingness to be re-appointed as Auditors for Financial year 2013-14 due to their pre-occupations and tendered resignation on 4<sup>th</sup> July, 2013. M/s Aggarwal & Rampal, Chartered Accountants has shown their willingness to be appointed as Auditors of the Company for the Financial Year 2013-14. The Company has received the consent letter and certificate under Section 224(1B) from M/s Aggarwal & Rampal, Chartered Accountants. Your Directors recommend the appointment of M/s Aggarwal & Rampal, Chartered Accountants as Auditors of the Company and if appointed, shall hold office until the conclusion of the next Annual General Meeting.

**AUDITORS' REPORT**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory except a qualification made regarding non-compliance with Accounting Standard-15 in respect of Employee benefits issued by Institute of Chartered Accountants of India.

In regard to the auditor's qualification on non-compliance with Accounting Standard - 15 in respect of Employee Benefit issued by Institute of Chartered Accountants of India. It is hereby clarified that –

- (a) Retirement benefits in the form of provident fund & pension schemes whether in pursuance of law or otherwise, the Company is regular in depositing these dues to the credit of appropriate authorities in due time.

- (a) Liability in respect of gratuity payable to employees has been provided for on the assumption that such benefits are payable to all employees who have completed five years of service at the end of accounting year
- (b) Liability in respect of leave encashment payable to employees has been provided for leave credit at the year-end.

The provision for gratuity and leave encashment is not based on the actuarial valuation; however the company will make compliance in due course of time.

### **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, 2013, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Munish K 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 -II.

### **COST AUDITORS**

Paper Industry attracts Cost Audit w.e.f. 30<sup>th</sup> June, 2011 vide the Central Government's Order No. 52/26/CAB/2010. Hence the Company is required to get its cost record audited. M/s V.K. Dube & Co., Cost Accountants, is re-appointed as Cost Auditors of the Company. The Company has filed its Cost Audit Report for the Financial Year 2011-12 to the Central Government on 25<sup>th</sup> February, 2013 before due date i.e., 28<sup>th</sup> February, 2013. Particulars of Cost Auditors' are mentioned below:

Name of the Cost Auditor's Firm	V.K. Dube & Co., Cost Accountants
FRN of Cost Auditors	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>

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit and loss of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

### **STOCK EXCHANGE LISTING**

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

The listing fee for the financial year 2013-14 has already been paid to the Bombay Stock Exchange and National Stock Exchange.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from 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  
For **MAGNUM VENTURES LIMITED**

Date: 14<sup>th</sup> July, 2013  
Place: Delhi

Sd/-  
**PRADEEP KUMAR JAIN**  
Managing Director

Sd/-  
**ABHEY KUMAR JAIN**  
Whole Time Director

**Annexure - A**

**FORM A**  
(See Rule 2)

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

**A. Power and fuel Consumption**

**1 Electricity**

**(a) Purchased**

	<b>Current Year (2012-13)</b>	<b>Previous Year (2011-12)</b>
Unit	16401309	5734680
Total Amount	88843275	26253409
Rate/Unit	5.42	4.58

**(b) Own generation**

**(i) Through Diesel Generator**

Unit	1698000	894000
Units per ltr. of diesel oil	3.00	3.00
Cost/Units	13.77	12.43

**(ii) Through steam turbine**

Units	20397170	37788260
Units per kgs of Coal	1.29	1.73
Cost/Units	4.31	4.84

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

**Particulars**

Quantity	IN MT	26456.15	65243.74
	IN		
Total Cost	LACS	2074.91	3183.14
Average rate	IN MT	7842.81	4878.85

**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 Kg.</b>	<b>59901306.1</b>	<b>65185464</b>
Electricity (per Unit.)	0.64	0.68
Furnance oil	Nil	Nil
Coal & Pet Coke (Per kg.)	0.44	1.00
Others (Specify)	Nil	Nil

**Form B**  
(See Rule 2)

Form for discloser of particulars with respect to absorption

Expenses on Research and Development	-	Nil
Technology absorption ,adoption and innovation	-	Nil

**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 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.

**2. BOARD OF DIRECTORS**

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Company has total 9 (nine) directors on the Board as on 31st March, 2013. 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	
			Membership	Chairmanship
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	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 Naveen Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Kamal Prasad* Nominee Director	Non-Executive & Independent	1	Nil	Nil
Mr. Bikash Narayan Mishra# Nominee Director	Non-Executive & Independent	1	Nil	Nil

\*Mr. Kamal Prasad ceased to be Nominee Director w.e.f. 22<sup>nd</sup> March, 2013.

#Mr. Bikash Narayan Mishra has been appointed as Nominee Director w.e.f. 22<sup>nd</sup> March, 2013.

**Directors' Attendance Record**

During the Financial Year 2012-13, 8 (Eight) meetings of the Board of Directors were held on 18.05.2012, 29.05.2012, 14.08.2012, 09.11.2012, 07.02.2013, 12.02.2013, 22.03.2013 and 31.03.2013. 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 2012-13 are as under:

Name of the Director	No. Of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Abhey Kumar Jain	8	7	Yes
Mr Pradeep Kumar Jain	8	8	Yes
Mr Parmod Kumar Jain	8	7	Yes
Mr Praveen Kumar Jain	8	0	No
Mr Subhash Oswal	8	8	Yes
Mr Shri Krishan Jain	8	7	Yes
Mr Rakesh Garg	8	8	Yes
Mr Naveen Jain	8	8	Yes
Mr Kamal Prasad*	6	1	No
Mr Bikash Narayan Mishra#	2	1	N.A.

\*Mr. Kamal Prasad ceased to be Nominee Director w.e.f. 22<sup>nd</sup> March, 2013.

#Mr. Bikash Narayan Mishra has been appointed as Nominee Director w.e.f. 22<sup>nd</sup> March, 2013.

**Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM (including those who have been appointed during the year under review)**

The brief resume, experience and other details pertaining to the Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting (including those 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	Mr. Praveen Kumar Jain	Mr. Abhey Kumar Jain	Mr. Bikash Narayan Mishra
DIN	00423833	01876385	06418377
Father's Name	Salek Chand Jain	Salek Chand Jain	Basant Kumar Mishra
Date of Birth	16-02-1962	03-09-1974	02-10-1960
Address	113/3, Ansari Road, Darya Ganj, New Delhi-110002	4326/3 Ansari Road, Darya Ganj, Delhi-110002	3-B/B-40, Greater Kailash-1, New Delhi-110048
Designation	Director	Whole-Time Director	Nominee Director
Education	Bachelor of Arts	Bachelor of Arts	M.A. Economics, CAIIB
Experience	23 years	16 years	28 years
Companies in which holds Directorship	Nil	Nil	Uttam Sugar Mills Limited, Nominee Director
Companies in which holds membership of Committees	Nil	Nil	Nil

Shareholding in the Company (No. & %)	<p><b>Number of Shares:</b> A. Equity Shares: 16648510 B. Non- Convertible, Non-Cumulative Redeemable Preference Shares: 25,00,000</p> <p><b>Percentage:</b> A. Equity Shares: 44.27 B. Non- Convertible, Non-Cumulative Redeemable Preference Shares: 100</p>	<p><b>Number of Shares:</b> A. Equity Shares: 302600 B. Non- Convertible, Non-Cumulative Redeemable Preference Shares: Nil</p> <p><b>Percentage:</b> C. Equity Shares: 0.80 D. Non- Convertible, Non-Cumulative Redeemable Preference Shares: Nil</p>	Nil
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### **3. AUDIT COMMITTEE**

#### **(a) Terms of Reference**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee has the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee has full access to information contained in the records of the Company and external professional advice, if necessary:

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

#### **(b) Composition**

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)

Mr. Anant Prakash is the Secretary of the committee.

#### **(c) Attendance**

The Committee met four (4) times during the Financial Year 2012-2013 on the following dates: 29.05.2012, 14.08.2012, 09.11.2012 and 12.02.2013. Details of attendance of Directors in the Audit Committee meetings are as under:



Name of the Director	Category	Attendance at the Audit Committee Meeting
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. INVESTORS' GRIEVANCE COMMITTEE**

**(i) Terms of Reference:**

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

**(ii) Composition:**

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)

Mr. Anant Prakash is the Secretary of the Committee.

**(iii)** Anant Prakash 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 complaints received and redressed during the year 2011-12 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	Nil	1	Nil

**(v) Attendance**

The Committee met four (4) times during the Financial Year 2012-2013 on the following dates: 15.05.2012, 10.08.2012, 05.11.2012 and 11.02.2013. 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 only very few complaints were 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. REMUNERATION COMMITTEE**

**(a) Terms of Reference**

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

**(b) Composition**

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)

Mr. Anant Prakash is the Secretary of the 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 once during the Financial Year 2012-2013 on 25.03.2013. Details of attendance of Directors in the Investors' Grievance Committee meeting are as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Attendance at the Investor Grievances Committee Meeting</b>
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	1
Mr. Rakesh Garg, Member	Non-Executive Independent Director	1
Mr. Naveen Jain, Member	Non-Executive Independent Director	1

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

The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Executive or Non-Executive Directors during the financial year 2012-13 and further 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, 2013**

<b>Name of Director</b>	<b>Salaries &amp; Perquisites (in Rs.)</b>	<b>Commission, Bonus Ex-gratia (in Rs.)</b>	<b>Sitting Fees (in Rupees)</b>	<b>Total Amount (in Rs.)</b>	<b>No. of Equity Shares held &amp; %</b>
Mr. Abhey Kumar Jain Whole-Time Director	Nil	Nil	Nil	Nil	302600 (0.80%)
Mr. Pradeep Kumar Jain Managing Director	Nil	Nil	Nil	Nil	200650 (0.53%)
Mr. Parmod Kumar Jain Director	Nil	Nil	Nil	Nil	200150 (0.53%)
Mr. Praveen Kumar Jain Director	Nil	Nil	Nil	Nil	16648510 (44.27%)
Mr. Subhash 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
2010	17.09.2010	Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi road, New Delhi-110 003	02:30 P.M.	1
2011	27.09.2011	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	01:00 P.M.	1
2012	27.09.2012	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	03:00 P.M.	0

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2010	17.09.2010	Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.
2011	27.09.2011	Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.
2012	27.09.2012	NIL

Two resolutions were put through Postal Ballot in the last year and details of which are mentioned below:

### **Resolution No. 1**

**Ordinary Resolution** under section 16 and 94 and other applicable provisions of the Companies Act, 1956, provisions of SEBI, SEBI's Guidelines and Listing Agreement and other provisions, for consent of Shareholders for Re-classification of the Authorized Share Capital of the Company from Rs. 64,00,00,000/- (Rupees Sixty Four Crore only) divided into 6,40,00,000 (Six Crore Forty Lakh) equity shares of Rs.10/- (Rupees Ten) each to Rs. 64,00,00,000 (Rupees Sixty Four Crore only) divided into 3,90,00,000 (Three Crore Ninety Lakh) Equity Share of Rs. 10/- (Rupees Ten) each and 25,00,000 (Twenty Five Lakh) Preference Share of Rs. 100/- (Rupees One Hundred) each and Alteration to the "Clause V" (Capital Clause) of the Memorandum of Association of the Company to give effect thereof.

### **Resolution No. 2**

**Special Resolution** under the provisions of Section 80, 81 and other applicable provisions of the Companies Act, 1956, provisions of the SEBI Act, 1992 and SEBI Guidelines, FEMA and Rules framed under it and other applicable provisions, if any, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered in to by the Company with NSE & BSE, for consent of Shareholders to authorise Board of Directors for offer, issue, allot, in one or more tranches 25,00,000 (Twenty Five Lakh) Redeemable, Non-Convertible and Non-Cumulative Preference Shares of face value of Rs. 100/- (Rupees One Hundred) each ("Preference Shares") or up to limit available as per Authorized Preference Share Capital whichever is more, at par or at premium or at such price or prices, to various persons/entities including Promoters/Promoters group whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions including but not limited to as to the rate of dividend, redemption period, manner of redemption, amount of premium, if any.

CS Munish K Sharma, Practicing Company Secretary was appointed as Scrutinizer for postal ballot process. Based on the Scrutinizer's Report dated 22<sup>nd</sup> of March 2013, the Chairman has declared the results of Postal Ballot as under:

**Resolution No. 1**

Total Valid Votes Cast	20092703
Votes in favor of the Resolution	20044028
Percentage of Votes in Favor of the Resolution	99.75%
Votes Cast against the Resolution	48675
Percentage of Votes against the Resolution	0.25%

Accordingly, the Chairman has declared **Ordinary Resolution** as set out in the notice dated 12<sup>th</sup> February, 2013, passed by the shareholders with required majority.

**Resolution No. 2**

Total Valid Votes Cast	20090797
Votes in Favour of the Resolution	20043197
Percentage of Votes in Favour of the Resolution	99.76%
Votes Cast against the Resolution	47600
Percentage of Votes against the Resolution	0.24%

Accordingly, the Chairman has declared **Special Resolution** as set out in the notice dated 12<sup>th</sup> February, 2013, passed by the shareholders with required majority.

**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**

<b>Day &amp; Date</b>	<b>Time</b>	<b>Venue</b>
Tuesday, 13 <sup>th</sup> August, 2013	03:00 P.M.	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi – 110002

### **ii) Financial Calendar**

<b>Event</b>	<b>Tentative Time Frame</b>
Financial Reporting for the 1 <sup>st</sup> quarter ended 30 <sup>th</sup> June, 2012	14 <sup>th</sup> August, 2013
Financial Reporting for the 1 <sup>st</sup> quarter ended 30 <sup>th</sup> September, 2012	Mid of November, 2013
Financial Reporting for the 1 <sup>st</sup> quarter ended 31 <sup>st</sup> December, 2012	Mid of February, 2014
Financial Reporting for the 1 <sup>st</sup> quarter ended 31 <sup>st</sup> March, 2012	Mid of May, 2014

- iii) **Dates of Book Closure:** 9<sup>th</sup> August, 2013 to 13<sup>th</sup> August, 2013 (Both days inclusive)

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

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

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

MAGNUM at the National Stock Exchange

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

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
April 2012	4.35	3.52	78717
May 2012	4.33	3.32	51382
June 2012	4.07	3.22	66367
July 2012	4.05	3.35	78124
August 2012	4.05	2.70	48308
September 2012	3.30	2.66	67750
October 2012	4.60	3.01	104177
November 2012	4.48	3.55	56136

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

December 2012	4.08	3.39	111317
January 2013	6.07	4.00	219201
February 2013	5.04	3.75	51608
March 2013	4.45	3.25	118258

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 2012	4.45	3.50	64818
May 2012	4.40	3.00	87208
June 2012	4.15	3.05	99443
July 2012	4.10	3.35	101935
August 2012	4.05	2.55	131527
September 2012	3.30	2.50	181121
October 2012	4.30	3.10	193557
November 2012	4.20	3.55	39039
December 2012	4.00	3.50	107332
January 2013	6.00	4.00	283776
February 2013	4.50	3.80	55990
March 2013	4.45	3.35	93042

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

**ix) Distribution of Equity Shareholding as on 31st March 2013:**

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	%age of Total	Rs.	%age in Total
(1)		(2)	(3)	(4)	(5)
Upto 5,000		9263	70.334	2,00,35,110	5.328
5,001	10,000	1827	13.872	1,61,65,540	4.299
10,001	20,000	954	7.244	1,52,94,880	4.068
20,001	30,000	375	2.847	99,46,800	2.645
30,001	40,000	145	1.101	53,20,660	1.415
40,001	50,000	183	1.390	87,58,340	2.329
50,001	1,00,000	225	1.708	1,68,45,200	4.48
1,00,001 and above		198	1.503	28,36,52,310	75.436
<b>TOTAL</b>		<b>13170</b>	<b>100.00</b>	<b>37,60,18,840</b>	<b>100.00</b>

**x) De-materialization of shares and liquidity:** As on 31st March, 2012 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:** 64/3, 4, 5 & 6  
Site-IV, Industrial Area,  
Sahibabad, Ghaziabad 201 010  
Uttar Pradesh

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

**Corporate Office:**  
Magnum Ventures 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.

**Annexure-I**

**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 2013 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: 14<sup>th</sup> July, 2013

Place: Delhi

Sd/-

**Pradeep Kumar Jain**

Managing Director

**Annexure II**

**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 for the year ended on 31st March, 2013 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**

Sd/-

**CS Munish K Sharma**

**FCS: 6031**

**CP: 6460**

**Date: 14<sup>th</sup> July, 2013**

**Place: Ghaziabad, U.P.**



## **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 was taken over in 1984 with the new name as **MAGNUM VENTURES LIMITED**. 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 65000 Square Meter and Five Lacs Square feet Building Area in Sahibabad Industrial Area, Ghaziabad (Uttar Pradesh).

Magnum currently operates in Paper Industry and Hotel Industry, and Manufacturing of papers since more than 25 Years. The Company is one of the largest writing and printing paper and duplex paper printing country 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 85 k 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 knowlegde 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 Hotel industry in India has been an important industry to the Indian Economy .It is one of the largest foreign exchange earners to the country. The fortunes of the hotel industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. The industry is characterized significantly by high seasonality, labour intensive, classification of hotels, tax structure. The demand for the hotels room is driven by level of growth in the GDP, increased business activities of India with other country. The most important factor of attracting tourism is the incredible India. The government is focusing on the PPP and is looking beyond the traditional tourism avenues and on to new initiatives –tourism, sports and adventure tourism, religious circuit, wildlife safaris, rural tourism, eco-tourism, cruise tourism and wellness tourism.

## **SWOT ANALYSIS**

### **STRENGTHS:**

#### **Paper Industry**

India produces many varieties of papers, namely printing and writing paper, packaging paper, coated paper and some speciality paper. Varieties under printing and writing paper are creme wove paper, super printing paper, maplitho paper (non surface and surface size), copier paper, bond paper and coating base paper and others. There are approximately 650 paper mills in India, of which seventeen are major player.

The manufacturing process of paper in India is based on the production of bamboo fibre which goes through a number of processes out of which the fibre is extracted. The waste arrived from such production process is further recycled to produce paper. The increasing concern of the Government in conservation of forest is a building tool in the growth of the paper industry. The Indian paper industry can grow manifold by focusing on the growing networks in the roads and Indian railways and communication facilities and by also promoting plantation.

The paper industry in India looks extremely positive as the demand for upstream market of paper products, like, tissue paper, tea bags, filter paper, light weight online coated paper, medical grade coated paper, etc., is growing up.

#### **Hotel Industry**

The outlook for the hotel industry in India are bright with the revival in the global economy and rising international tourist inflow in the country. The hospitality in India in terms of number of rooms demanded per day is estimated to grow at the Compounded Annual Growth Rate (CAGR) of 10.3% during the period 2012-2013 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. India offers a readymade tourist destination with the resources it has and the most fascinating hospitality statement of – "Atithi devo bhava".

### **WEAKNESSES:**

#### **Paper Industry**

Paper industry is highly fragmented industry. The main raw material used to produce paper is wood based pulp, waste paper and agri residues. As the domestic wood supply is inadequate compared to demand, and the waste paper recovery mechanism is not very robust, inadequate raw material availability remains constraint for the paper industry.

One of the major challenges the pulp and paper industries faces today is to create a cleaner image in the mind of consumers by adopting environment friendly practices to produce paper and reduce its impact on the environment.

Moving in this direction, from last few years the pulp and paper Industry around the world has in fact done more than many other industries to become environmentally responsible. There are several paper mills globally and in India, which have invested time and money in developing new technologies and adopting environment friendly manufacturing practices.

Use of alternative raw materials has been the biggest shift in this Direction. Today high quality paper is being manufactured using raw materials other than wood, which on the contrary have a positive impact on the environment.

### **Hotel Industry**

The cost of land in India is high at 50% of total project cost as against 15% abroad. This acts as a major deterrent to the Indian hotel industry. The hotel industry in India is heavily staffed. This can be gauged from the facts that while Indian hotel companies have a staff to room ratio of 3:1, this ratio is 1:1 for international hotel companies. The inflation in the tax structure of the industry in terms of expenditure tax, luxury tax and sales tax by over 40% act as an obstacle in the growth of hotel industry. The services currently offered by the hotels in India are only limited value added services as compared to those provided in other countries. The increase in the air fare rates is one of the reasons of distracting tourism.

### **OPPORTUNITIES:**

#### **Paper Industry**

A growing literacy is expected to accelerate off-take. The government expects every Indian citizen to possess at least eight years of education. Besides, participation in higher education is expected to rise from 6 per cent to 10 per cent by the end of the 10th Plan period. With government departments and directorates being increasingly computerised, the demand for desktop and laser printing is rising, increasing the demand for a specific variety of paper.

While offset printing paper is expected to remain the most in demand, cut-size paper is gaining importance in the context of increasing computerization and net connectivity. The inflow of foreign investment in print and media is expected to increase the demand for quality paper produced by domestic paper houses. The up-gradation of technology in the printing industry will impact the demand for paper. Plate less and digital printing will grow the demand for cut-size paper as 'print and distribute' evolves to 'distribute and print' and 'print on demand'.

India's Agricultural and Processed Food Export Development Authority (APEDA) has worked out a product-specific strategy for increasing agricultural exports to over Rs. 10,000 Cr. per year for six agro commodities – fruits, meat and cereals to name a few. The consumption of corrugated boxes in the food sector in India is less than 20 per cent as against over 35 per cent worldwide – an emerging opportunity.

The overall production of paper from the recycling process of paper making has increased to around 40% which can further reach the limit of 50% in the coming years which will have a positive impact on the environment.

#### **Hotel Industry:**

Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between September to March when the climatic conditions are suitable whereas the national tourist waits for school holidays, generally the summer months. In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography.

For India, the inbound tourists are a mere 0.88% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.

### **THREATS:**

#### **Paper Industry**

The inadequate availability of raw material and the consequent economies of scale pose a serious threat to the growth of the paper industry in India. As per estimates made by IPMA (International Projects Management Association), the requirement of the precious wood based resource will catapult from the present 5.2 mn tonnes to 13 mn tonnes by 2020, requiring a large allocation of land for fresh plantation. Besides, the stringent environmental standards prescribed by the government for the paper industry will necessitate substantial investments in state-of-the-art technologies prevalent in the global industry, without any significant return. This warrants the Government's intervention in providing concessional finance for funding these projects and safeguarding the viability of the paper

industry. The overall sale in terms of quantities of production has decreased by 8% from that of the previous year due to the rising competition in the market.

### **Hotel Industry**

Now Days, Guest houses are replacing with hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the Hotel traffic. Political turbulence in the area reduces tourist traffic and thus the business of the hotels. In India examples of the same are Insurgency in Jammu Kashmir.

Changing trends in the western countries demands similar changes in India, which here are difficult to implement due to high project costs. The economic conditions of a country have a direct impact on the earnings in hotel industry. Lack of training of Man Power in the hotel industry also is an obstacle in the Developing path of our countries Hotel Industry. There is a decline of 10.8% in the sale of the company as compared to that of the last year.

### **HUMAN RESOURCE**

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

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.

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 the following 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. 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 (2012-13)</b>		<b>Previous Year (2011-12)</b>	
	Quantity (Kgs)	Value (Amt. in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	59892673	1457339970	65016605	1477276422
Hotel division	NA	472757081	NA	529793562

# Sunil K. Mittal & Co

CHARTERED ACCOUNTANTS

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8-D, HANSALYA, 15, BARAKHAMBHA ROAD, NEW DELHI-110001  
Telefax: 23358616, 23358617.  
e-mail: caskmittal@rediffmail.com

## AUDITOR'S REPORT

The Members of  
MAGNUM VENTURES LIMITED  
(Previously Known as Magnum Papers Limited)

### **Audit Report**

1. We have audited the accompanying financial statements of MAGNUM VENTURES LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. 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 in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) in our opinion, *subject to Sub Note (A)12 of Note 27 regarding non compliance with Accounting Standard – 15 in respect of Employee benefits issued by Institute of Chartered Accountants of India*, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**Place: New Delhi.  
Dated: 25/05/2013**

**Sd/-  
(Sunil Kumar Jain)  
Proprietor  
Membership No. 84125**

# Sunil K. Mittal & Co

CHARTERED ACCOUNTANTS

8-D, HANSALYA, 15, BARAKHAMBHA ROAD, NEW DELHI-110001  
Telefax: 23358616, 23358617, 23716601.  
e-mail: caskmittal@rediffmail.com

## ANNEXURE TO AUDITOR'S REPORT

### **MAGNUM VENTURES LIMITED (Previously Known as Magnum Papers Limited)**

#### **AUDITOR'S REPORT UNDER CARO 2003 FOR THE YEAR ENDED 31.3.2013**

- i) In respect of its fixed assets:
- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - The management at reasonable intervals has physically verified all the fixed assets. As reported to us, by the management, no material discrepancy was noticed on such verification.
  - According to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the company during the year & the going concern status of the company is not affected
- ii) In respect of its inventories:
- The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
  - On the basis of our examination of the records of inventory, in our opinion the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.
- iii) (a) The Company taken interest free unsecured Loan from Eighteen parties covered in register maintained U/S 301 of the Companies Act 1956. The maximum Amount involved during the year was Rs. 361134771.24 /- & Year-end balances was Rs. 109723771.24
- (b) The Company has not granted unsecured loans to any party listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) The terms and conditions are not prima facie prejudicial to the interest of the company.
- (d) Being the term of repayments have not been stipulated, we are unable to comment whether the repayment of principal amount is regular or not.
- (e) Being the term of repayments have not been stipulated, we are unable to comment whether there is any due amount of more than one lac rupees or not.
- iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of the business for the purchase of Inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been information of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered.  
The company has not entered into any transaction exceeding Rs.5 lacs in respect of any party hence further reporting is not applicable for the company.

- vi) The company has not accepted any deposit in terms of section 58A, 58 AA or any other relevant provisions of the Companies Act, 1956.
- vii) In our opinion the company is having an adequate internal audit system, commensurate with its size and nature of the business.
- viii) The Central Govt. has prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, in respect of the Paper products of the company & company has maintained accounting records as prescribed. We have relied upon the certificate issued by the cost accountant in this regard.
- ix) In respect of statutory dues:  
According to the records of the company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service tax, Sales Tax, Custom Duty, and Excise Duty were in arrears, as at 31.03.2012 for a period more than six months from the date, they became payable.

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

Name of the statute	Name of the dues	Amount (in Rs)	Period to which the amount relate	Status/ Forum where dispute is pending
Custom & Central Excise	Cenvat Credit	Rs. 828510/-		Custom & Central Excise Dept has filed appeal in Allahabad High Court.
Custom & Central Excise	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise Show Cause Notice pending not yet decided
Excise Law	Duty on Kachra (Waste)	158816/- (Plus Interest)	01-04-08 to 15-01-09	Matter pending before Tribunal not yet decided
Income Tax Act, 1961	Income Tax	0.78 crores	2007-08	ITAT

- x) In our opinion there is no accumulated loss of the company. The Company has not incurred any cash losses (EBIDTA) during the period covered by our audit and the immediately preceding financial year.
- xi) According to the records of the company examined by us and the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution or Bank.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, so the question of maintenance of records does not arise.
- xiii) In our opinion, the company is not a chit fund or nidhi/mutual benefit fund society. Hence this clause is not applicable to the Company
- xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not Applicable to the Company
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others form bank or financial institutions.
- xvi) Based on the information and explanation given to us and on an overall examination of balance sheet of the company, in our opinion, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance – sheet of the Company, we report that no funds raised on the short-term basis have been used for the Long term Investment
- xviii) During the year the company had allotted 2500000 Redeemable and Non-Cumulative Preference Shares of Face Value of Rs. 100/- each at par to parties covered in the registered maintained U/S 301 of the Act;
- xix) As the company has not issued any debenture this clause is not applicable



- xx) During the year the company has not raised any money from the public issues hence this clause is not applicable
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**Place: New Delhi.  
Dated: 25/05/2013**

**Sd/-  
(Sunil Kumar Jain)  
Proprietor  
Membership No. 84125**

**MAGNUM VENTURES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2013**

PARTICULARS	Note No.	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
1	2	3	4
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	62,60,18,840.00	37,60,18,840.00
Reserves and surplus	2	-3,12,05,175.14	-2,81,56,582.18
<b>Non-current liabilities</b>			
Long-term borrowings	3	2,56,67,16,410.22	2,60,76,49,297.73
Other Long Term Liabilities	4	18,95,874.20	5,47,57,444.20
Long Term Provisions	5	1,31,49,074.00	1,13,09,396.00
<b>Current Liabilities</b>			
Short Term Borrowings	6	64,88,63,478.60	53,94,00,278.95
Trade Payable	7	18,67,23,676.66	18,72,76,022.17
Other Current Liabilities	8	12,95,82,469.04	5,84,34,393.59
Short Term Provisions	9	8,04,781.00	11,01,332.00
<b>TOTAL</b>		<b>4,14,25,49,428.58</b>	<b>3,80,77,90,422.46</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) (a) Tangible assets	10	2,89,38,86,088.74	2,66,73,25,860.45
(ii) Intangible Assets	11	16,39,631.40	20,88,213.40
Deferred tax assets (net)	12	20,69,05,651.00	20,62,77,304.00
Long-term loans and advances	13	1,22,00,439.63	1,29,56,431.63
<b>Current assets</b>			
Inventories	14	13,43,27,059.87	11,61,43,101.05
Trade receivables	15	79,30,46,167.41	67,01,73,182.29
Cash and cash equivalents	16	93,74,172.27	5,52,85,926.82
Short-term loans and advances	17	8,39,79,908.26	7,20,22,788.76
Other Current Assets	18	71,90,310.00	55,17,614.06
<b>TOTAL</b>		<b>4,14,25,49,428.58</b>	<b>3,80,77,90,422.46</b>

Significant Accounting Policies  
& Other Notes to accounts  
see accompanying notes to financial statements  
In terms of our Audit Report of even date attached.

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**for SUNIL K. MITTAL & CO.**

Chartered Accountants  
Firm Registration No: 008524N

Sd/-  
**Sunil Kumar Jain**  
Proprietor  
M. No. - 84125  
**Date: 25-05-2013**  
**Place: New Delhi**

**For and on behalf of Board of Directors**

Sd/-  
Pradeep K. Jain  
Managing Director

Sd/-  
Abhay K. Jain  
Whole-Time Director

Sd/-  
Anant Prakash  
Company Secretary

**MAGNUM VENTURES LIMITED**

**MANUFACTURING & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31st, MARCH 2013**

Particulars	Refer Note No.	For the Year ended as on 31.03.2013	For the Year ended 31.03.2012
Revenue from operations	19	1,90,49,27,988.56	1,97,01,32,466.25
Other income	20	13,11,578.28	14,61,238.82
<b>Total Revenue</b>		<b>1,90,62,39,566.84</b>	<b>1,97,15,93,705.07</b>
<b>Expenses</b>			
Cost of Material Consumed	21	1,34,11,98,596.06	1,32,09,23,601.04
Change in Inventory of Finished Goods & W.I.P	22	-32,77,562.00	-40,93,713.00
Employee Benefit Expense	23	15,83,24,961.23	14,06,50,007.59
Finance Cost	24	45,18,57,926.77	40,91,93,388.20
Depreciation and amortization expense	25	21,09,67,612.29	22,25,43,168.00
Other Expenses	26	15,41,65,002.01	17,89,49,692.42
<b>Total Expenses</b>		<b>2,31,32,36,536.36</b>	<b>2,26,81,66,144.25</b>
<b>Profit Before Tax</b>		<b>-40,69,96,969.52</b>	<b>-29,65,72,439.18</b>
<b>Extra-Ordinary Items</b>			
Effect of change in Method of Depreciation		40,33,96,216.56	-
Tax expense:			
Current tax		76,187.00	-
Deferred tax		-6,28,347.00	-9,30,12,245.00
<b>Profit After Tax for the Period</b>		<b>-30,48,592.96</b>	<b>-20,35,60,194.18</b>
<b>Earnings per equity share:</b>			
(1) Basic		-0.08	-5.41
(2) Diluted		-0.08	-5.41

Significant Accounting Policies  
& Other Notes to accounts  
see accoumpying notes to financial statements

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In terms of our Audit Report of even date attached.

**for SUNIL K. MITTAL & CO.**

Chartered Accountants  
Firm Registration No: 008524N

Sd/-  
**Sunil Kumar Jain**  
Proprietor  
M. No. - 84125

**Date: 25-05-2013**  
**Place: New Delhi**

**for and on behalf of Board of Directors**

Sd/-  
**Pradeep K. Jain**  
Managing Director

Sd/-  
**Abhey K. Jain**  
Whole-Time Director

Sd/-  
Anant Prakash  
**Company Secretary**

Note 1

Share Capital	For the Year ended as on 31.03.2013		For the Year ended as on 31.03.2012	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	3,90,00,000.00	39,00,00,000.00	6,40,00,000.00	64,00,00,000.00
Preference Shares of Rs. 100 each	25,00,000.00	25,00,00,000.00	-	-
<b>Issued , Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each fully Paid-up	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00
Preference Shares of Rs. 100 each fully Paid-up	25,00,000.00	25,00,00,000.00		
<b>Total</b>		<b>62,60,18,840.00</b>		<b>37,60,18,840.00</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**

Particulars	AS AT 31.03.2013		AS AT 31.03.2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>3,76,01,884.00</b>	<b>37,60,18,840.00</b>	3,76,01,884.00	37,60,18,840.00

**Reconciliation of Number of Preference Shares Outstanding**

Particulars	AS AT 31.03.2013		AS AT 31.03.2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	25,00,000.00	25,00,00,000.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>25,00,000.00</b>	<b>25,00,00,000.00</b>	-	-

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

Name of Shareholder	AS AT 31.03.2013		AS AT 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praveen Kumar Jain (Equity Shares)	1,66,48,510.00	44.28	1,66,48,510.00	44.28
Praveen Kumar Jain (Preference Shares)	25,00,000.00	100.00	-	-

Note 2

<b>Reserves &amp; Surplus</b>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
<b>A. Securities Premium</b>		
Opening Balance	38,52,53,799.53	38,52,53,799.53
Add : Securities premium credited on Share issue	-	--
Less : Premium Utilised for various reasons	-	--
<b>Closing Balance</b>	<b>38,52,53,799.53</b>	<b>38,52,53,799.53</b>
<b>B. General Reserve</b>		
Opening Balance	15,28,067.07	15,28,067.07
(+) Addition During the year	-	-
(-) Deduction/Appropriations	-	-
<b>Closing Balance</b>	<b>15,28,067.07</b>	<b>15,28,067.07</b>
<b>C. Surplus</b>		
Opening balance	-41,49,38,448.78	-21,13,78,254.60
(+/-) Profit/(Loss) During the Year	-30,48,592.96	-20,35,60,194.18
<b>Closing Balance</b>	<b>-41,79,87,041.74</b>	<b>-41,49,38,448.78</b>
<b>Total</b>	<b>-3,12,05,175.14</b>	<b>-2,81,56,582.18</b>

**Note 3**

<u>Long Term Borrowings</u>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
<b>Term Loan</b>		
<u>Secured</u>		
<u>From Banks</u>		
Indian overseas Bank	29,24,35,975.00	27,81,39,470.00
PNB	76,21,22,437.00	73,32,15,144.00
Syndicate Bank	65,62,46,061.33	61,95,89,623.40
Oriental Bank Of Commerce	30,94,03,250.00	29,78,14,000.00
Allahabad bank	19,39,46,774.42	17,20,61,029.69
Vijaya Bank	24,07,75,104.00	21,38,74,661.00
	-	
Unsecured Loans From Related Parties & Others	10,97,23,771.24	28,85,12,955.24
Long Term maturities of Finance Lease Obligations	20,63,037.23	44,42,414.40
<b>Total</b>	<b>2,56,67,16,410.22</b>	<b>2,60,76,49,297.73</b>

**Note 4**

<u>Other Long Term Liabilities</u>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
<b>Others</b>		
Trade Payable exceeding Normal Operating Cycle	-	5,32,65,000.00
Cess Payable to U.P.P.C.B	18,95,874.20	14,92,444.20
<b>Total</b>	<b>18,95,874.20</b>	<b>5,47,57,444.20</b>

**Note 5**

<u>Long Term Provisions</u>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
<b>Provision for Employee benefits</b>		
Provision for Gratuity	63,46,633.00	55,26,672.00
Provision for Leave Encashment	68,02,441.00	57,82,724.00
<b>Total</b>	<b>1,31,49,074.00</b>	<b>1,13,09,396.00</b>

**Note 6**

<u>Short Term Borrowings</u>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
<b>Secured Term Loan from Banks</b>		
Indian overseas Bank	2,21,09,000.00	1,59,05,000.00
PNB	6,16,84,500.00	4,48,09,750.00
Syndicate Bank	4,00,21,715.00	2,88,56,750.00
Oriental Bank Of Commerce	3,38,88,750.00	2,65,04,750.00
Allahabad bank	1,51,94,500.00	1,12,06,000.00
Vijaya Bank	1,46,25,000.00	1,01,31,250.00
<b>Secured Working Capital Loans from banks</b>		
IOB	3,29,79,268.14	2,89,56,493.14
Oriental Bank of Commerce	26,26,35,136.73	22,90,24,250.73
Syndicate Bank	2,58,27,418.69	2,21,88,648.52
Allahabad Bank	5,27,82,003.78	4,61,75,122.59
PNB	8,71,16,186.26	7,56,42,263.97
<b>Total</b>	<b>64,88,63,478.60</b>	<b>53,94,00,278.95</b>

**Note 7**

<u>Trade Payable</u>	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
Trade Payable within Normal Operating Cycle (Including Cheque issued but not yet presented for payment 81436460/-)	18,67,23,676.66	18,72,76,022.17
<b>Total</b>	<b>18,67,23,676.66</b>	<b>18,72,76,022.17</b>

**Note 8**

<b>Other Current Liabilities</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Interest Accrued and due on borrowings	8,42,16,098.54	3,07,87,271.81
Current maturities of Finance Lease obligations	30,89,726.70	33,37,262.82
Other Payables	2,66,82,648.03	2,41,72,124.96
Advances from Customers	1,55,93,995.77	1,37,734.00
<b>Total</b>	<b>12,95,82,469.04</b>	<b>5,84,34,393.59</b>

**Note 9**

<b>Short Term Provisions</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
<b>Provision for Employee benefits</b>		
Bonus payable	8,04,781.00	11,01,332.00
<b>Total</b>	<b>8,04,781.00</b>	<b>11,01,332.00</b>

**Note 10**

<b>Tangible Assets</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Land	19,09,33,558.86	19,09,33,558.86
Building & Site	85,47,60,249.65	85,90,02,134.43
Computer	39,94,610.56	54,08,174.56
Furniture & Fixture	36,96,68,050.20	42,25,42,650.20
Plant & Machinery	1,23,09,16,989.56	92,51,63,610.77
Vehicles	1,44,08,656.17	1,58,72,312.17
Electric Installation	3,95,51,791.49	4,51,83,105.12
Generator	1,12,67,971.36	1,25,70,734.36
Office Equipment	12,68,233.32	10,76,176.32
Fire Fighting Equipment	2,76,407.00	3,26,452.00
Deinking Plant	6,76,80,318.80	7,25,24,863.80
Turbine	10,91,59,251.77	11,67,22,087.86
<b>Total</b>	<b>2,89,38,86,088.74</b>	<b>2,66,73,25,860.45</b>

**Note 11**

<b>Intangible Assets</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Softwares	16,39,631.40	20,88,213.40
<b>Total</b>	<b>16,39,631.40</b>	<b>20,88,213.40</b>

**Note 12**

<b>DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Deferred Tax Assets (A)	36,88,82,849.00	39,52,76,070.00
Deferred Tax Liabilities (B)	16,19,77,198.00	18,89,98,766.00
<b>Net Deferred Tax Asset/ (Liability) (A-B)</b>	<b>20,69,05,651.00</b>	<b>20,62,77,304.00</b>

**Note 13**

<b>Long Term Loans &amp; Advances</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Security Deposit Unsecured, Considered good	1,05,26,883.63	1,15,03,957.63
<b>Other Loans &amp; Advances</b>		
Advance against Salary	88,142.00	3,52,000.00
Cess Deposited under protest	8,93,495.00	8,93,495.00
Advance to Supplier for Raw Material & Expenses	3,309.00	1,90,881.00
Advance to Supplier for Capital Goods	6,88,610.00	16,098.00
<b>Total</b>	<b>1,22,00,439.63</b>	<b>1,29,56,431.63</b>

**Note 14**

<b>Inventories</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
(As Valued & Certified by the Management)		
Raw Material	1,96,11,345.30	4,73,91,119.00
Work-In-Progress	55,40,200.00	25,10,570.00
Finished Goods	99,79,580.00	97,31,648.00
Chemicals Stores & Consumables	6,49,27,962.08	3,79,54,825.00
Hotel Stock	60,94,946.49	60,83,051.05
Fuel	2,81,73,026.00	1,24,71,888.00
<b>Total</b>	<b>13,43,27,059.87</b>	<b>11,61,43,101.05</b>

## Note 15

<b>Trade Receivables</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured considered good	8,76,02,981.38	61,60,619.05
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good	70,54,43,186.03	66,40,12,563.24
<b>Total</b>	<b>79,30,46,167.41</b>	<b>67,01,73,182.29</b>

## Note 16

<b>Cash &amp; Cash Equivalents</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Balance with scheduled banks in current accounts	69,73,850.28	5,37,22,554.43
Cash on hand	14,21,710.99	8,36,445.39
Fixed Deposits with Banks	9,78,611.00	7,26,927.00
<b>Total</b>	<b>93,74,172.27</b>	<b>5,52,85,926.82</b>

## Note 17

<b>Short Term Loan &amp; Advances</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
<b>Others</b>		
Unsecured, Considered good		
Advances with Government Authorities	6,14,50,448.72	3,69,36,256.40
Labour, Staff Advance & Imprest	3,19,981.00	5,89,754.36
Advance to Supplier for Raw Material	2,09,36,247.25	3,36,46,650.00
Advance to Supplier for Capital Goods	12,73,231.29	8,50,128.00
<b>Total</b>	<b>8,39,79,908.26</b>	<b>7,20,22,788.76</b>

## Note 18

<b>Other Current Assets</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Prepaid Expenses	67,12,422.00	50,39,726.06
Branch / Divisions	-	-
Preliminary Expenses	4,77,888.00	4,77,888.00
<b>Total</b>	<b>71,90,310.00</b>	<b>55,17,614.06</b>

## Note 19

<b>Revenue From Operation</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Gross Revenue	1,93,00,97,050.85	2,00,70,69,983.78
Less : Excise Duty	3,62,32,984.63	4,63,20,992.53
<b>Net Revenue from Operations</b>	<b>1,89,38,64,066.22</b>	<b>1,96,07,48,991.25</b>
Other Operating Revenue	1,17,26,080.34	95,78,452.00
Less : Excise Duty	6,62,158.00	1,94,977.00
<b>Net Other Operating Revenue</b>	<b>1,10,63,922.34</b>	<b>93,83,475.00</b>
<b>Total</b>	<b>1,90,49,27,988.56</b>	<b>1,97,01,32,466.25</b>

## Note 20

<b>Other Incomes</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Interest recd on FDR (TDS Deducted Rs. 8925/- Last Year Rs. 6790/-)	83,832.00	84,048.00
Profit on sale of Fixed Assets	38,740.00	10,287.00
Rental Charges	9,72,500.00	11,30,000.00
Foreign Exchange Gain	1,70,268.28	2,36,903.82
Short & Excess	46,238.00	-
<b>Total</b>	<b>13,11,578.28</b>	<b>14,61,238.82</b>

## Note 21

<b>Cost of Material Consumed</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Raw Material Consumed	74,31,20,675.26	51,70,14,248.95
Power & Fuel Consumed	31,97,21,338.03	34,94,05,616.36
Chemicals Stores & Consumables	27,83,56,582.77	45,45,03,735.73
<b>Total</b>	<b>1,34,11,98,596.06</b>	<b>1,32,09,23,601.04</b>

## Note 22

<b>Changes in Inventory of Finished Goods &amp; Work In Progress</b>	<b>For the Year ended as on 31.03.2013</b>	<b>For the Year ended as on 31.03.2012</b>
Changes in Inventory of Finished Goods	-2,47,932.00	-40,93,713.00
Changes in Inventory of Work in Progress	-30,29,630.00	-
<b>Total</b>	<b>-32,77,562.00</b>	<b>-40,93,713.00</b>

Note 23		
Employee Benefit Expense	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
Salary	10,91,96,702.00	9,04,72,638.00
Wages	3,04,35,020.00	2,98,33,312.00
Bonus	8,10,726.00	11,89,523.00
Gratuity	15,40,969.00	11,79,216.00
Leave Encashment	25,63,960.00	52,74,974.00
Contribution to ESI	28,54,726.00	25,88,732.00
Contribution to EPF	47,59,484.00	44,43,951.00
Staff Welfare	61,63,374.23	56,67,661.59
<b>Total</b>	<b>15,83,24,961.23</b>	<b>14,06,50,007.59</b>

Note 24		
Finance Cost	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
Interest Cost	44,41,25,679.26	40,03,20,858.14
Bank Charges	77,32,247.51	88,72,530.06
<b>Total</b>	<b>45,18,57,926.77</b>	<b>40,91,93,388.20</b>

Note 25		
Depreciation & Amortisation Expense	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
Depreciation on Tangible Assets	21,02,46,950.29	22,19,21,289.00
Amortisation of Intangible Assets	7,20,662.00	6,21,879.00
<b>Total</b>	<b>21,09,67,612.29</b>	<b>22,25,43,168.00</b>

Note 26		
Other Expenses	For the Year ended as on 31.03.2013	For the Year ended as on 31.03.2012
Advertisement Expenses	57,54,310.00	6,47,899.00
Auditor Remuneration	3,34,932.00	3,29,630.00
Commission	40,98,232.00	47,12,687.03
Electricity	3,58,66,985.46	3,84,04,320.57
Entertainment & Music	20,87,395.75	5,14,119.00
Entertainment Tax	1,90,500.00	1,96,080.00
Excise duty & Interest	1,93,330.00	-
Entry Tax	-73,28,116.00	62,89,913.00
Freight outward	1,87,89,077.00	1,26,44,934.00
Insurance Charges	15,77,641.67	7,54,850.42
Fees & Subscription	1,18,68,845.61	1,96,29,090.36
Legal & Professional	13,84,857.00	19,81,025.00
Miscellaneous & General	20,09,467.77	6,25,697.34
Postage	4,76,026.00	4,13,213.75
Photocopy Expense	1,13,101.00	1,01,500.00
Pest Control	8,35,962.00	4,99,793.00
Printing & Stationery	27,59,999.23	28,70,326.50
Rates & taxes	44,17,526.72	36,95,382.72
Rebate, Discount & Written off	35,12,486.25	1,02,36,158.74
Rent & Hire Charges	8,41,149.00	7,41,096.00
Repair & Maintenance Building	6,70,020.37	17,59,482.00
Repair & Maintenance Plant & Machinery	1,89,48,539.85	2,12,06,891.16
Sales Promotion	7,56,575.07	8,54,578.00
Sales Tax Additional Demand	-44,483.00	1,88,665.00
Service Tax	35,67,645.04	8,15,772.00
Share Listing Fees	3,42,345.00	2,98,336.00
Telephone	31,24,433.10	22,27,264.14
Travelling Expenses	6,12,553.00	17,64,474.42
Conveyance Expense	18,93,662.03	17,20,272.00
Vehicle Expense	10,81,489.00	12,90,603.91
Diesel Expense	31,000.00	1,38,600.00
Water Expense (Including Cess)	7,16,089.22	25,36,005.90
Glass ware food, Beverages & Paper	16,23,071.78	29,34,414.20
Guest Supplies Expense	63,84,688.75	1,04,67,604.37
Horticulture Expenses	17,090.00	1,17,991.00
Kitchen Equipment & Fuel Expense	1,71,14,889.00	1,33,12,182.20
Upholstery & Fabric Expenditure	19,69,006.25	37,15,451.25
Linen & Staff Uniform	-	9,58,639.56
Staff & Training Expenses	-	1,52,150.00
Flower Decoration Expense	10,03,623.62	42,08,628.77
Cable TV Expenses	11,110.00	34,412.00
Laundry & Cleaning Expenses	42,28,734.47	27,28,606.11
Medical Expenses	3,29,211.00	2,30,952.00
<b>Total</b>	<b>15,41,65,002.01</b>	<b>17,89,49,692.42</b>



MAGNUM VENTURES LIMITED (Formerly Known as 'Magnum Papers Limited') "Magnum House" 3/4326, Ansari Road, Darya Ganj, New Delhi 110 002 SCHEDULE OF FIXED ASSETS AS PER SCHEDULE XIV OF COMPANIES ACT 1956												
PAPER -DIVISION (Duplex)											Note 10, 11 & 25	
S. No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block				Depreciation			Net Block		
			As at 01.04.2012	Addition	Sale/ Adjustment	AS at 31.03.2013	As at 01.04.2012	During the Period	W/Off	Total as on 31.03.2013	Wdv as on 31.03.2013	Wdv as on 31.03.2012
<b>Tangible</b>												
1	Land	0%	28275584.60	0.00		28275584.60	0.00			0.00	28275584.60	28275584.60
2	Building	10%	55633032.55	415304.00		56048336.55	38301744.40	1747388.00		40049132.40	15999204.15	17331288.15
3	Plant & Machinery	15.33%	1520850083.28	15452350.59	438874.20	1535863559.67	877930918.16	99543826.00	403396216.56	574078527.60	961785032.07	642919165.12
4	Electrical Installation	15.33%	1088391066.63	1351528.37		110190635.00	63656001.51	7017153.00		70673154.51	39517480.49	45183105.12
5	Generator	15.33%	24504952.31	0.00		24504952.31	18132707.51	978665.00		19109572.51	5395379.80	6372244.80
6	Vehicle	25.89%	16815732.87	0.00	252640.00	16563092.87	12618471.27	1085560.00	251380.00	13453651.27	3109441.60	4197261.60
7	Office Equipment	13.91%	1659093.46	122087.00		1781380.46	1942852.89	96978.00		1140940.89	640449.57	615340.57
8	Furniture & Fixture	18.10%	628954.73	0.00		628954.73	372826.89	46359.00		419185.00	209769.73	256128.57
9	Computer	40%	1628119.16	107100.00		1735219.16	1098764.98	218080.00		1316844.98	418374.18	529354.18
10	Fire Fighting Equip.	15.33%	808603.00	0.00		808603.00	482151.00	50045.00		532196.00	276407.00	326452.00
<b>Straight Line Method</b>												
12	Deinking Plant	4.75%	101990419.60	0.00		101990419.60	2946555.80	4844545.00		34310100.80	67680318.80	7254863.80
13	Turbine	4.75%	173010066.26	665386.61		173673652.87	56287978.40	8236666.00		64524664.40	109148988.47	116722087.86
<b>Sub Total</b>			2034643958.45	18111956.57	691514.20	2052064400.82	1099391081.92	123864485.00	403647596.56	819607970.36	1232540841.46	935252876.53
<b>Intangible</b>												
11	Computer Software	5 Years	261420.00	0.00		261420.00	124725.00	52284.00		177009.00	84411.00	136695.00
<b>Total</b>			2034905378.45	18111956.57	691514.20	2052325820.82	1099515806.92	123916769.00	403647596.56	819784979.36	1232540841.46	935389571.53
<b>PAPER -DIVISION (Newsprint)</b>												
S. No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block				Depreciation			Net Block		
			As at 01.04.2012	Addition	Sale/ Adjustment	AS at 31.03.2013	As at 01.04.2012	During the Period	W/Off	Total as on 31.03.2013	Wdv as on 31.03.2013	Wdv as on 31.03.2012
<b>Tangible</b>												
1	Computer	40%	0.00	46615.00	0.00	46615.00	0.00	16511.00		16511.00	30104.00	0.00
2	Office Equipment	13.91%	0.00	154274.00	0.00	154274.00	0.00	19100.00		19100.00	135174.00	0.00
3	Plant & Machinery	15.33%	0.00	977313.00	0.00	977313.00	0.00	42031.00		42031.00	935282.00	0.00
4	Electrical Installations	15.33%	0.00	38211.00	0.00	38211.00	0.00	3900.00		3900.00	34311.00	0.00
5	Turbine	4.75%	0.00	10290.30	0.00	10290.30	0.00	27.00		27.00	10263.30	0.00
<b>Total</b>			0.00	1226703.30	0.00	1226703.30	0.00	81569.00	0.00	81569.00	1145134.30	0.00
<b>Intangible</b>												
7	Computer Software	5 Years	1900308.00	0.00		1900308.00	1038896.60	380062.00	0.00	1418958.60	481349.40	861411.40
<b>Total</b>			1924598247.70	0.00	0.00	1924598247.70	220476308.03	84028493.00	0.00	304504801.03	1620093446.67	1704121939.67
<b>HOTEL -DIVISION</b>												
S.No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block				Depreciation			Net Block		
			As at 01.04.2012	Addition	Sale/ Adjustment	AS at 31.03.2013	As at 01.04.2012	During the Period	W/Off	Total as on 31.03.2013	Wdv as on 31.03.2013	Wdv as on 31.03.2012
<b>Tangible Asset</b>												
1	Land	0	162657974.26	0.00	0.00	162657974.26	0.00	0.00	0.00	0.00	162657974.26	162657974.26
<b>Straight Line Method</b>												
2	Building & Site	1.63	879584679.28	0.00	0.00	879584679.28	38269356.00	14337230.00	0.00	52606586.00	826978093.28	841315323.28
3	Computer	16.21	7528989.00	0.00	0.00	7528989.00	3738729.00	1220449.00	0.00	4959178.00	2569811.00	3790260.00
4	Furniture & Fixture	9.5	553794013.45	0.00	0.00	553794013.45	13327498.00	52610431.00	0.00	185884829.00	367909184.45	420519615.45
5	Plant & Machinery	4.75	312363060.71	0.00	0.00	312363060.71	42446220.00	14837245.00	0.00	57283465.00	25079595.71	269916840.71
6	Car	9.5	6769223.00	0.00	0.00	6769223.00	1708708.43	643076.00	0.00	231784.43	4417438.57	5060514.57
<b>Sub-Total</b>			1922697939.70	0.00	0.00	1922697939.70	219437411.43	83648431.00	0.00	303085842.43	1619612097.27	1703260528.27
<b>Intangible Asset</b>												
7	Computer Software	5 Years	1900308.00	0.00	0.00	1900308.00	1038896.60	380062.00	0.00	1418958.60	481349.40	861411.40
<b>Total</b>			1924598247.70	0.00	0.00	1924598247.70	220476308.03	84028493.00	0.00	304504801.03	1620093446.67	1704121939.67
<b>HOTEL -CIS</b>												
S.No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block				Depreciation			Net Block		
			As at 01.04.2012	Addition	Sale/ Adjustment	AS at 31.03.2013	As at 01.04.2012	During the Period	W/Off	Total as on 31.03.2013	Wdv as on 31.03.2013	Wdv as on 31.03.2012
<b>Tangible</b>												
<b>Straight Line Method</b>												
1	Plant & Machinery	0.0475	13446628.94	1821665.13	0.00	15268294.07	1119024.00	1032190.29	0.00	2151214.29	13117079.78	12327604.94
2	Furniture & Fixture	0.095	2292732.02	0.00	0.00	2292732.02	52826.00	217810.00	0.00	743636.00	1549096.02	176906.02
3	Computer	0.1621	1647895.38	176043.00	0.00	1823938.38	559335.00	288282.00	0.00	847617.00	976321.38	1088560.38
4	Office Equipment	0.0475	502719.75	57730.00	0.00	560449.75	41884.00	25976.00	0.00	67860.00	492609.75	460835.75
5	Generator	0.0475	6861000.00	0.00	0.00	6861000.00	662510.44	325898.00	0.00	988408.44	5872591.56	6198489.56
6	Car	0.095	7510478.00	985351.00	0.00	8495829.00	895942.00	718111.00	0.00	1614053.00	6881776.00	6614536.00
8	Building	0.0163	360166.00	11471627.22	0.00	11831793.22	4643.00	44198.00	0.00	48841.00	11782952.22	355523.00
<b>Sub-Total</b>			32621620.09	14512436.35	0.00	47134056.44	3809164.44	2652465.29	0.00	6461629.73	40672426.71	28812455.65
<b>Intangible</b>												
7	Computer Software	5 Years	1298105	272080.00	0.00	1570185	207998.00	288316.00	0.00	496314.00	1073871.00	1090107.00
<b>Sub-Total</b>			1298105.00	272080.00	0.00	1570185.00	207998.00	288316.00	0.00	496314.00	1073871.00	1090107.00
<b>Total</b>			33919725.09	14784516.35	0.00	48704241.44	4017162.44	2940781.29	0.00	6957943.73	41746297.71	29902562.65
<b>GRAND TOTAL (Hotel+Paper)</b>			3993423351.24	34123176.22	691514.20	402685013.26	1324009277.39	210967612.29	403647596.56	1131329293.12	289552720.14	2669414073.85
Previous year			3949226505	5528668.81	11091812.25	3993423351	1102223393	222543168	757284	1324009277	2669414073.85	2847003111
*Note: Softwares are amortised in 5 years.												

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**  
**ANNEXED TO BALANCE SHEET AS AT 31-03-2013**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

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

**2. FIXED ASSETS AND DEPRECIATION**

- a) Expenditure of capital nature are capitalised at cost comprising of purchase price (*net of Excise duty, rebates and discounts*) and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All fixed assets are carried at cost less depreciation. But when an asset is scrapped or otherwise disposed off, the cost and related depreciation are written off from the books of accounts and resultant profit or loss, if any is reflected in profit and loss account.  
Advances paid towards the acquisition or construction of fixed assets and the cost of assets not put to use as at reporting date are disclosed under capital work in progress.
- b) In Paper Division Depreciation on fixed assets is provided on the basis of Written down Value method except on plant & machinery, turbine & Deinking Plant on which depreciation is charged on SLM however, Software is amortised in 5 years.

For Hotel Division Assets, depreciation has been provided on the straight-line method and at the rates in the manner prescribed in schedule XIV to the Companies Act, 1956, Vide GSR No. 756E Dt. 16.12.93.

The Board of Directors vide their meeting held on 22-03-2013 had decided to charge depreciation on *Plant & Machinery (Paper Division) on Straight Line Method to match Written down value vis-a-vis life of Plant & Machinery. The depreciation has been re-computed retrospectively as a result, reversal of depreciation to the tune of Rs. 4034 Lacs has been credited to Profit & Loss account for the year ended 31-03-2013.*

While calculating depreciation as per SLM on Plant & Machinery it has been observed that the sale of Plant & Machinery during the year 2007-08 to the tune of Rs. 4,21,97,519/- was purchased during the year 2005-06. However during the year 2007-08 while calculating WDV as the time of sale it was reduced from the purchases of 1992-93 to 1999-00. The effect of the same is that the profit on sale of Plant & Machinery was under valued by 1,58,44,920/- during the year 2007-08.

**3. FOREIGN EXCHANGE TRANSACTIONS**

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

**4. INVENTORY VALUATION**

- a) Stock of raw materials, stores & spares are valued at lower of purchase cost or net realizable value.
- b) W.I.P is valued at Rs.5540200/- which includes component of Waste Paper, Chemicals & Stores, Fuel and Other Manufacturing Overheads. Finished goods are valued at cost of production or net

realisable value which ever is less. Cost for the purpose of valuation includes raw material consumption, manufacturing expenses and other appropriate overheads there on in accordance with AS-2 (Revised) issued by I.C.A.I.

**5. SALES**

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

**6. MISCELLANEOUS EXPENDITURE**

<b>PARTICULAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Miscellaneous Expenditure W/off	Nil	Nil

**7. EXCISE DUTY**

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

**8. IMPAIRMENT OF ASSETS**

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

**9. TAXATION**

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

**10. EARNING PER SHARE**

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

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

**11. PROVISION AND CONTINGENCIES**

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

**12. RETIREMENT AND OTHER EMPLOYEE BENEFITS**

**i) Defined Contribution Plan**

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

**ii) Defined Benefit Plan**

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

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

iii) **Other Benefits**

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

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

**(B) OTHER NOTES**

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

<b>Name of the Statue</b>	<b>Nature of the Dues</b>	<b>Amount (Rs.)</b>	<b>Period</b>	<b>Present Status</b>
Excise Law	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise Show Cause Notice pending not yet decided
	With regard to amount of CENVAT Credit of Rs.828510/- availed from the purchase made by the company, as the question on genuineness of the supplier is raised by the Department of Excise, for which the company has filed an appeal before the Custom Excise Service Tax Appellate Tribunal which was decided in favour of the Company vide order dated 02/06/06. The Commissioner of Custom & Central Excise, Ghaziabad has filed an appeal before Hon. High Court of Allahabad u/s 35-G of Central Excise Act.	828510/-		Hon'ble Allahabad High Court
EPCG License	<p>Under the EPCG scheme of the Government of India, the company imported capital goods for its Hotel Project during the year 2008-09 &amp; 2009-10 at import duty rates less than the regular import duty rates and has saved import duty of equivalent INR Rs.6.38 Crore on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.51.04 crore.</p> <p>During the year 2011-12, Paper Division utilized EPCG License 8.89 Lac on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.71.04 Lac.</p> <p>Non- fulfillment of obligation will result into company liability to pay the duty so saved along with interest and such other sum as specified by the concerned authority.</p>			
Income Tax	<p>A Search and seizure operation was conducted on January 18, 2007 by the Income Tax Department u/s 132 of the Income Tax Act, 1961 on the company's administration and production facilities at 18/31 and 18/41, site IV, Industrial Area, Sahibabad, Ghaziabad; and the residence of the promoters at 113/3, Daryaganj, New Delhi &amp; survey operation was conducted u/s 133A of the Income Tax Act, 1961 on the Company's Properties at A-35/1, A-40/2, and 64/6, Site IV, Industrial Area, Sahibabad, Ghaziabad. The Assessment has been completed with addition of Rs. 15.95 Crores. The CIT (Appeal) vide its order dated 13-12-2010 has deleted the addition to the tune of Rs. 15.17 Crore. For the balance addition of Rs. 0.78 Crore, the company has filed an appeal before Hon'ble ITAT, Delhi.</p>			

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

**3. REMUNERATION PAID TO AUDITORS:**

Particular	Current Year	Last Year
As Statutory Auditors	Fee 243089/- Service Tax 30045/-	274630/-
Tax Audit Fees	Fee 55000/- Service Tax 6798/-	55000/-
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 31.03.2013 in accordance with the provision of Income Tax Act, 1961.
6. The accounts of the parties are subject to their respective confirmation
7. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Remuneration Paid	Nil	Nil

**8. RECLASSIFICATION OF AUTHORISED CAPITAL**

The Authorised Share Capital of the Company is reclassified from Rs. 64,00,00,000 divided into 3,90,00,000 equity shares of Rs. 10/- each and 25,00,000 Preference Share of Rs. 100/- each.

**9. ALLOTMENT OF PREFERENCE SHARES**

During the year the Board of Directors of the Company had allotted 25,00,000 Non-Convertible, Non-Cumulative Redeemable Preference Shares of face value of Rs. 100/- each at par.

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

- D) 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	N.A	N.A
(c)	Production	59901	65185

**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	452670	283812	9731648	5637935
(b)	Closing Stock	461303	452670	9979580	9731648
(c)	Sale	59892673	65016605	1457339970	1477276422

(Sale Include Self Consumption 632070 Kg. (Previous Year 1074115 Kg.)

**HOTEL DIVISION**

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	NA	NA	6083051	5503139
(b)	Closing Stock	NA	NA	6094946	6083051
(c)	Sale	NA	NA	472757081	529793562

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	68560960	69515078	660169629	431648123
(b)	Stores & Chemical	-	-	278356583	454503736
(c)	Power & Fuel	-	-	319721338	349405616

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	1835374	12848326	0.28	2.98
Indigenous Raw Material	658334255	418799797	99.72	97.02
Imported Stores & Chemical	3710628	10344166	1.33	2.27
Indigenous Stores & Chemical	274645955	444159570	98.67	97.73

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	1621889	11664441
Chemical & Consumable Spare Parts	3457373	9565197

**HOTEL DIVISION**

Particular	Current Year (Rs)	Last Year (Rs)
Consumables and Machines	949984/- (\$16949) 878412/-(Euro 12629)	192669/- (\$4077.5)

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

Particular	Current Year (Rs)	Last Year (Rs)
<b>Paper Division</b>	Nil	Nil
<b>Hotel Division</b> Annual Subscription	521158/-(USD 9607)	1606891/-(USD 30253)

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

Particular	Current Year (Rs)		Last Year (Rs)	
	Rs.	USD	Rs.	USD
Paper Division	Nil	Nil	Nil	Nil
Hotel Division	91808463	1690027	98944128	2082376

**11. RELATED PARTY TRANSACTION DISCLOSURE:**

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

**12. SUNDRY CREDITORS:**

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

**13. DEFERRED TAX LIABILITY:**

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

Particular	As at 31.03.2013 (Rs)
<b>DEFERRED TAX ASSETS :-</b>	
Provision for gratuity	6346633.00
Leave Encashment	6802441.00
Unabsorbed Depreciation	1046639467.00
Unabsorbed Losses	486462596.00
Interest Disallowed	154035081.00
(A)	1700286218.00
<b>DEFERRED TAX LIABILITY :-</b>	
Excess of net block as per Companies act over Income tax act (B)	1030688640.00
(A)-(B)	669597578.00
Net Deferred tax Asset as on 31.03.2013	206905652.00
Deferred tax Assets provided as on 31.3.2012	206277304.00
Deferred tax liabilities (Asset) attributable to Financial Year 2012-13	(628348.00)

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

**14. 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. Interest and other borrowing cost amounting Rs. Nil (Previous year Nil) have been capitalised to the carrying cost of fixed assets & Capital Work in Progress

15. 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.

**16. 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.

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

Particulars	Paper Division	Hotel Division	Total
Segment wise Revenue			
External Revenue 2013	1457339970.00	472757081.00	1930097051.00
2012	1477276422.00	529793562.00	2007069984.00
Segment wise Results <i>before extra-ordinary Items</i>			
Segment Result 2013			
2012	(-)274706187.00 (-)216874472.00	(-)132290782.00 (-)79697967.00	(-)406996969.00 (-)296572439.00
Segment wise Results <i>after extra-ordinary Items</i>			
Segment Result 2013			
2012	128690029.00 (-)216874472.00	(-)132290782.00 (-)79697967.00	(-)3600753.00 (-)296572439.00
Segment wise Assets			
2013	3136148312.00	1006401117.00	4142549429.00
2012	2621674951.00	1186115471.00	3807790422.00
Segment wise Liabilities <i>excluding Bank Borrowings</i>			
2013			
2012	207922878.00 204373769.00	124232997.00 108504819.00	332155875.00 312878588.00
Fixed Assets Addition			
2013	19338660.00	14784516.00	34123176.00
2012	51842463.00	3446196.00	55288659.00
Depreciation 2013	123998338.00	86969274.00	210967612.00
2012	136244624.00	86298544.00	222543168.00

**Geographical Segment**

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

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

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

**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).
---	-----------	--

**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**

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.

### **CORPORATE DEBT RESTRUCTURING**

Due to the worldwide recession in the Hotel industry the company has not been in a position to generate revenue as envisaged at the time of project financing. Therefore the company applied to CDR Cell and the account of the company is under CDR Mechanism since 01-04-2009. Since then the Company had two round of Debt restructuring with the protection of NPV (Net present Value) of future cash flows of interest and principal. The company is again approaching the bankers for certain reliefs and concessions and the rework proposal is under their active consideration.

18. As per Section 3(1)(o) of the Sick Industrial Company Act, 1985 the company is not a sick industrial company as on 31<sup>st</sup> March 2013.
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 27 form an integral part of the Balance Sheet as at 31<sup>st</sup> March -2013 and have been authenticated as such.

### **FOR AND ON BEHALF OF THE BOARD OF**

As per our report of even date  
**SUNIL K. MITTAL & Co.**  
Chartered Accountants  
Firm Reg No 008524N

Sd/-  
**(Pardeep Kumar Jain)**      **(Pramod Kumar Jain)**  
Managing Director          (Director)

Sd/-  
**(SUNIL KUMAR JAIN)**  
**(Proprietor)**  
Membership No 84125

**(Anant Prakash)**  
Company Secretary

Place: New Delhi.  
Date : 25/05/2013

**MAGNUM VENTURES LIMITED**

Financial Year 2012-13

Annexure referred to in Point No. 11 of Clause B to Note 27 forming part of accounts.

Disclosure of transactions with related parties as required byAccounting Standard-18

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2013	48099545.53	61624225.71
2	Rent	20000.00	40000.00

Note: Names of the related parties and descriptions of relationships

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

**MAGNUM VENTURES LIMITED**  
(Formerly Known as 'Magnum Papers Limited')  
**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2013**

PARTICULARS	2012-13		2011-12	
	AMOUNT (Rs)	AMOUNT (Rs)	AMOUNT (Rs)	AMOUNT (Rs)
<b>CASH FLOW FROM OPERATIONS</b>				
A) Profit before Taxation		-40,69,96,969.52		-29,65,72,439.18
B) Adjustments				
ADD				
i Depreciation	21,09,67,612.29		22,25,43,168.00	
ii Interest expenses	45,18,57,926.77		40,91,93,388.20	
iii Profit on sale of fixed assets	-38,740.00		-10,287.00	
iv Provision for Gratuity	8,19,961.00		-12,42,856.00	
v Provision for leave Encashment	10,19,717.00		40,23,979.00	
vi Provisions for Bonus	-2,96,551.00		-60,855.00	
<b>Less</b>				
Interest income	83,832.00		84,048.00	
		66,42,46,094.06		63,43,62,489.20
		25,72,49,124.54		33,77,90,050.02
Operating profit before working capital changes				
C) (Increase)/ Decrease in Current Assets				
i Inventories	-1,81,83,958.82		1,44,12,854.95	
ii Sundry Debtors	-12,28,72,985.12		-14,70,03,772.18	
iii loans & advances & other Current Assets	-1,28,73,823.44		1,29,85,712.21	
Increase / (Decrease) in Current Liabilities				
i Sundry Creditors	-5,52,345.51		5,15,97,403.24	
ii Advance from Customers	1,54,56,261.77		-99,46,911.56	
iii Expenses Payable	25,10,523.07		46,07,674.10	
iv other liability	16,26,44,490.26		12,78,24,368.63	
v Miscellaneous expenses incurred	0.00		0.00	
		2,61,28,162.21		5,44,77,329.39
Cash generated from operations		28,33,77,286.75		39,22,67,379.41
Wealth tax paid	-76,187.00		0.00	
Income tax & FBT	0.00		0.00	
		-76,187.00		0.00
Effect of Extra Ordinary Item		40,33,96,216.56		0.00
<b>NET CASH FROM OPERATIONS</b>		<b>68,66,97,316.31</b>		<b>39,22,67,379.41</b>
<b>INVESTING ACTIVITIES</b>				
i Additions to Capital work in progress	0.00		0.00	
ii Additions to fixed assets(Net of Sales)	-43,70,40,518.58		-4,49,43,843.56	
iii Increase in investment	0.00		0.00	
iv Interest Income	83,832.00		84,048.00	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>-43,69,56,686.58</b>		<b>-4,48,59,795.56</b>
<b>FINANCING ACTIVITIES</b>				
i Issue of Shares	25,00,00,000.00		0.00	
ii Increase in Share Premium	0.00		0.00	
iii Decrease in Investments	0.00		0.00	
iv Borrowings	-9,37,94,457.51		10,87,65,878.23	
v Interest Paid	-45,18,57,926.77		-40,91,93,388.20	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-29,56,52,384.28</b>		<b>-30,04,27,509.97</b>
Net Change in cash and cash equivalents (A+ B + C)		-4,59,11,754.55		4,69,80,073.88
Cash and cash equivalents at the beginning of the period (See Note-1)		5,52,85,926.82		83,05,852.94
Cash and cash equivalents at the end of the period (See Note-1)		93,74,172.27		5,52,85,926.82

**Notes to Cash Flow Statement :-**

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.

	<u>2012-13</u>	<u>2011-12</u>
Cash in hand	14,21,710.99	8,36,445.39
FDR with the Bank	9,78,611.00	7,26,927.00
Balance with scheduled banks in current accounts	69,73,850.28	5,37,22,554.43
	<u>93,74,172.27</u>	<u>5,52,85,926.82</u>
	-0.00	-0.00

**MAGNUM VENTURES LIMITED**

Regd. office : 685, Chitla Gate, Chwri Bazar, Delhi -110006

**ATTENDANCE SLIP**

Regd. folio No:.....

\*\*D.P.I.D:.....

\*\*Client.I.D:.....

**33rd ANNUAL GENERAL MEETING - 13 TH AUGUST, 2013**

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

I hereby record my presence at the 33rd Annual General Meeting of the Comapny held on Tuesday, 13th August, 2013 at 3.00 p.m. at 11, Vishru Digamber Marg, Near Bal Bhwan, New Delhi 110002.

.....  
\*Member.s/ Proxy’s Name in Block Letter

.....  
\*Member.s/ Proxy’s Signature

**Note:**

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

**\*Strike out whichever is not applicable**

**MAGNUM VENTURES LIMITED**

Regd. office : 685, Chitla Gate, Chwri Bazar, Delhi -110006

**PROXY FORM**

Regd. folio No:.....

\*\*D.P.I.D:.....

\*\*Client.I.D:.....

**33rd ANNUAL GENERAL MEETING - 13 TH AUGUST, 2013**

I/We.....of.....being  
 member/members of Magnum Ventures Limited, hereby  
 appoint.....of.....or failing  
 him/her.....of.....as my/our proxy to  
 attend and vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held  
 on Tuesday, 13 th August, 2013 at 3.00 p.m. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi  
 110 002, and at any adjournment thereof.

Signed this.....day of.....2013

Signature.....

Affix Revenue stamp
---------------------------

**Note:**

- 1. Proxy need not be a member.
- 2. Proxy form, complete in all respect, should reach the Company’s Registered Office at 685, Chitla Gate, Chawri Bazar, Delhi- 110 006 not less than 48 hours before the scheduled time of the meeting.

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

**BOOK POST**

If undelivered please return to:

**MAGNUM VENTURES LIMITED**

Regd. Office: 685, Chitla Gate

Chawri Bazar, Delhi - 110006

# Magnum Ventures Ltd.

(An ISO 14001-2004 Certified Company)

Corporate Office : 18/31, Site-IV, Industrial Area, Sahibabad, Ghaziabad (U.P.)

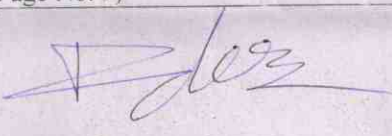

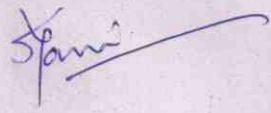
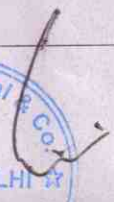
Address for Correspondence : 18/41, Site-IV, Industrial Area, Sahibabad, Distt. Ghaziabad - 201 010

Ref: Scrip Code

BSE: 532896

NSE: MAGNUM


**Form B: covering letter of the annual audit report to be filed with the Stock Exchange**

1	Name of the Company	Magnum Ventures Limited.
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit qualification	Qualified: <i>'subject to Sub Note (A)12 of Note 27 regarding non compliance with Accounting Standard -15 in respect of Employee benefits issued by Institute of Chartered Accountants of India'</i> (Page No. 29)
4	Frequency of qualification	<del>First Time</del> <i>fifth time</i>
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report	In regard to the auditor's qualification on non-compliance with Accounting Standard - 15 in respect of Employee Benefit issued by Institute of Chartered Accountants of India (w.r.t. Actuarial Valuation). It is hereby clarified that – (a) Retirement benefits in the form of provident fund & pension schemes whether in pursuance of law or otherwise, the Company is regular in depositing these dues to the credit of appropriate authorities in due time. (b) Liability in respect of gratuity payable to employees has been provided for on the assumption that such benefits are payable to all employees who have completed five years of service at the end of accounting year (c) Liability in respect of leave encashment payable to employees has been provided for leave credit at the year-end. (Page No. 9)
	Additional comments from the Board and Audit Committee chair	The provision for gratuity and leave encashment is not based on the actuarial valuation; however the company will make compliance in due course of time. (Page No. 9)
5	To be signed by:	
	(i) Pradeep Kumar Jain - Managing Director	
	(ii) Mr. Sanjay Sharma Senior Manager-Finance & Accounts	
	(iii) Shri Krishan Jain Chairman-Audit Committee	
	(iv) Sunil Kumar Jain For Sunil K Mittal & Co. Statutory Auditors	



Thanking You,

For **MAGNUM VENTURES LIMITED**

  
Abhey Kumar Jain  
Whole-Time Director

Office & Works : 18/41, Site-IV, Industrial Area, Sahibabad, Distt. Ghaziabad - 201 010

Phone : +91-120-4199200 Fax : +91-120-4199234

Regd. Office : 685, Chitla Gate, Chawri Bazar, Delhi-110 006

E-mail : magnumventures@gmail.com Website : www.magnumventures.in