

**MAGNUM VENTURES LIMITED**

**34<sup>th</sup> ANNUAL REPORT – 2014**

**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>Chief Financial Officer</u></b>  <b>Sanjay Kumar Sharma</b>                  Mob. 8527422659                  Ph. No. 0120-4551145                  Email id: <a href="mailto:dirbnk@cissahibabad.in">dirbnk@cissahibabad.in</a></p>	<p><b><u>Internal Auditors</u></b>                  M/s B L Chakravarti &amp; Associates,                  Chartered Accountants                  AAF 02, Shipra Krishna Azure, Kaushambi, Ghaziabad,                  U.P.- 201010</p>
<p><b><u>CHARTERED ACCOUNTANTS</u></b>  <b>Aggarwal &amp; Rampal</b>                  Chartered Accountant</p> <p>2<sup>nd</sup> Floor, 19, Local Shopping Complex,                  Madangir, New Delhi-10062                  Ph. No. 011-40512886/87/88                  Email id: Aditya@aggarwalrampal.com</p>	<p><b><u>Secretarial Auditors</u></b>                  Munish K. Sharma &amp; Associates                  Company Secretaries                  AAF-14, Shipra Krishna Azure, Near Wace Cinema,                  Kaushambi, Ghaziabad, UP-201012                  Ph. No. 0120-4165725                  Email id: <a href="mailto:munish_171@yahoo.com">munish_171@yahoo.com</a></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>REGISTERED OFFICE</u></b>                  685, Chitla Gate, Chawri Bazar                  Delhi - 110 006                  Ph. No. 011-23264503/ 23261179</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><b><u>CORPORATE OFFICE</u></b>                  18/31, Site IV, Industrial Area, Sahibabad, Ghaziabad,                  Uttar Pradesh-201010</p> <p><b><u>WORKS</u></b>                  18/41, Site-IV, Industrial Area, Sahibabad, Ghaziabad,                  Uttar Pradesh - 201 010</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 34<sup>th</sup> Annual General Meeting.

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

During the year under review, Total income of the Company was Rs. 21622.79 Lacs as against Rs. 19,062.40 Lacs in the previous year reflecting Y-O-Y growth of 13.42%. The EBDITA of the company during the current reporting period is Rs. 2998.86 lacs reflecting 17.22% growth in comparison with the last reporting period Rs 2558.28 lacs.

**SEGMENTS**

**PAPER DIVISION**

We are pleased to inform to our stakeholders, that to meet out the challenges of recession in our existing final product "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 increased.
2. The realization of payment is better with less risk of bad debts.
3. Final Product is exempt from Excise Duty.

**HOTEL DIVISION**

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

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

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

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

With best wishes,

Sd/-

**Salek Chand Jain**  
Founder Chairman

**NOTICE**

Notice is hereby given that the **34<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on **Wednesday, 10<sup>th</sup> September, 2014 at 11:00 A.M.** at **Galib Institute, AIWAN-E GALIB MARG, New Delhi-110002** to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and statement of Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director, in place of Mr. Parmod Kumar Jain (DIN: 01222952) Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s Aggarwal & Rampal, Chartered Accountants (FRN: 003072N) as Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the fifth Annual General Meeting and fix their remuneration.

**Special Business**

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

**“RESOLVED THAT** further to Ordinary Resolution passed at the Annual General Meeting of the shareholders of the Company held on August 27, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of **Rs. 500 Crores (Rupees Seven Hundred and Fifty Crores only).**”

**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(s) 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.”

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

**“RESOLVED THAT** further to the Ordinary Resolution passed at the Extra-ordinary General Meeting of the shareholders of the Company held on August 27, 2008 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company be and is authorised and empowered to mortgage, hypothecate, pledge, charge or otherwise encumber, from time to time, all present and future, movable or immovable properties of the Company and/ or whole of the undertakings of the Company, wherever situated, in favour of financial institutions, Banks, body corporate or any other lender to secure fund based and non-fund based facilities including term loan and working capital assistance obtained/ to be obtained by the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on pre-payment, remuneration of the Agent(s)/ Trustee(s), premium, if any, on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document(s), entered into/ to be entered into between the Company and the Lender(s)/ Agent(s)/ Trustee(s) in respect of the said loans/ borrowings/ debentures/ and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s)/ Trustee(s).

**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(s) 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), the following resolution as an **Ordinary Resolution:**

**“Resolved that** Mr. Shiv Pravesh Chaturvedi (DIN: 06834388) who was appointed as an Additional Director on the Board of the Company w.e.f 1<sup>st</sup> April, 2014 to hold office till the date of Annual General Meeting, be and is hereby appointed as Director of the Company whose office shall be liable for determination through retirement by rotation.”

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

**“Resolved that** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,00,000/- (Rupees One Lac only), inclusive of all expenses, of M/s V.K. Dube & Co. (FRN: 000343) for auditing the Company’s cost accounting records for the financial year 2014-15, as recommended by the Audit Committee and approved by the Board of Directors be and is hereby ratified.”

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

**“Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the term of Mr. Subash Oswal (DIN: 00088516), who is existing Independent Director of the Company liable to retire by rotation, be and is hereby fixed as five consecutive years with effect from 10<sup>th</sup> September, 2014.

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

**“Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the term of Mr. Shri Krishan Jain (DIN: 00365462), who is existing Independent Director of the Company liable to retire by rotation, be and is hereby fixed as five consecutive years with effect from 10<sup>th</sup> September, 2014.

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

**“Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the term of Mr. Rakesh Garg (DIN: 02683693), who is existing Independent Director of the Company liable to retire by rotation, be and is hereby fixed as five consecutive years with effect from 10<sup>th</sup> September, 2014.

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

**“Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the term of Mr. Naveen Jain (DIN: 02683890), who is existing Independent Director of the Company liable to retire by rotation, be and is hereby fixed as five consecutive years with effect from 10<sup>th</sup> September, 2014.

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

Sd/-

**PRADEEP KUMAR JAIN**

Managing Director

DIN: 00024879

Date : 9<sup>th</sup> August, 2014

Place : Delhi

**Note:**

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

2. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.
4. The Register of Members and Transfer Books of the Company will remain closed from Monday, September 8, 2014 to Wednesday, September 10, 2014, both days inclusive, for the purpose of Annual General Meeting.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact to RTA of the Company for assistance in this regard.
6. You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

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

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

7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

10. Electronic copy of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ RTA/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

**11. The procedure and instructions for e-voting are mentioned hereunder:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME - **Magnum Ventures Limited**" from the drop down menu and click on "SUBMIT".
- (iv) Now, enter your User ID as given overleaf in the box.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) as given overleaf in the box.
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Bank Details*	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
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\*Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Bank details field.

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for **Magnum Ventures Limited** to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**General Instructions:**

(A) The e-voting period commences on 3rd September, 2014 (10.00 a.m.) and ends on 5th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th August, 2014.

D) The Company has appointed M/s Munish K. Sharma & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

E) The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

F) The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www](http://www)

12. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.magnumventures.com](http://www.magnumventures.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

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

**Item No. 4 & 5**

The members of the Company at their Annual General Meeting held on August 27, 2008 had approved by way of an Ordinary Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 500 Crores (Rupees Five Hundred Crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders up to the limits as being approved under Section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on pre-payment, remuneration of the Agent(s)/ Trustee(s), premium, if any, on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document(s), entered into/ to be entered into between the Company and the Lender(s)/ Agent(s)/ Trustee(s) in respect of the said loans/ borrowings/ debentures/ and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s)/ Trustee(s).

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective. Thus, the approval granted by members is valid up to 11th September, 2014.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 & 5 of the Notice. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 and 5.

**Item No. 6**

Mr. Shiv Pravesh Chaturvedi (DIN: 06834388) was appointed as an Additional Director in accordance with Section 161 of the Companies Act, 2013 and he can hold office up to the date of forthcoming Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

Mr. Shiv Pravesh Chaturvedi is Master in Business Administration (HR) and he specializes in management in human resources and has over 20 years of experience in area of paper manufacturing.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Shiv Pravesh Chaturvedi as Director. Accordingly the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice.

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

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

**Item No. 7**

M/s V.K. Dube & Co., Cost Accountants has (FRN: 000343) been appointment as Cost Auditors of the Company on 30<sup>th</sup> May, 2014 for the financial year 2014-15 to audit the cost records of the Company at a remuneration of Rs. 1,00,000/- (Rupees One Lac only). Further, Rule 14 of the Companies (Audit and Auditors) Rule, 2014 remuneration of the Cost Auditors requires the ratification of the shareholders.

Again, on 30<sup>th</sup> June, 2014, the Ministry of Corporate Affairs has issued Companies (Cost Records and Audit) Rules, 2014, by which the Paper Industry is not covered under the Cost Audit, however, the management of Company wants to continue the audit of Cost Records of the Company for the sake of good governance and to take better management decisions.

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

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

**Item No. 8, 9, 10 & 11**

As Section 149 of the Companies Act, 2013 requires that, an independent director shall hold office for a term up to five consecutive years on the Board of the Company. Hence, it is necessary to fix the tenure of the independent directors of the Company. Name and brief details of independent directors of the Company are mentioned following:

Sl. No.	Name	Address	DIN	Education Qualification
1.	Mr. Subash Chand Oswal	C-642, New Friends Colony, Delhi- 110065	00088516	Bachelor of Arts, Delhi University
2.	Mr. Shri Krishan Jain	30, Kapil Vihar, Pitampura, Delhi-110034	00365462	B.Com from Delhi University, Fellow member of ICAI
3.	Mr. Rakesh Garg	B175 SF - B-Block, Ashok Vihar PH-I, Delhi-110052	02683693	B.Com from Delhi University
4.	Mr. Naveen Jain	B-2/46, B-2 Block, Ashok Vihar PH-II, Delhi-110052	02683890	B.Com from Delhi University

As per the opinion of the Board, the above mentioned Independent Directors are persons of integrity; possess relevant expertise and experience and fulfills the conditions as specified in the Companies Act, 2013.

Your approval is required to fix the tenure of the independent directors for five consecutive years with effect from 10<sup>th</sup> September, 2014 by way of Ordinary resolution.

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



**DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2014. The financial highlights for the year under review are given below:

**FINANCIAL HIGHLIGHTS**

*(Amount Rs. in lacs)*

Particulars	Financial Year ended 31st March, 2014	Financial Year ended 31st March, 2013
Total Income	21622.79	19,062.40
Total Expenditure	24144.12	23,132.36
Profit /(Loss) before tax	-2521.33	-4069.96
Effect of Extra Ordinary Item (Change in Depreciation Method)	--	4033.96
Provision for tax	--	--
Income Tax for Earlier Years	22.15	0.76
Provision for Deferred Tax Liabilities	-657.73	-6.28
Profit after tax	-1885.75	-30.48
Balance b/f from Last Year	-4179.87	- 4149.38
Balance Carried to Balance Sheet	-6065.62	-4179.87
Transfer to Reserve	--	--
Paid-up Share Capital	6260.19	6260.19
Reserves and Surplus (excluding revaluation reserve)	-2197.80	-312.05
Earnings per share	-5.02	-0.08

**YEAR IN RETROSPECT**

During the year under review, Total income of the Company was Rs. 21622.79 Lacs as against Rs. 19,062.40 Lacs in the previous year reflecting Y-O-Y growth of 13.42%. The PBT of the Company during the current reporting period was (-) 2521.33 lacs reflecting 38.46% growth in comparison with the last reporting period. In spite thereof, the depreciation of Rs.1915.86 Lacs and interest accrued of Rs. 3604.33 Lacs during the current year forced the company to suffer loss of Rs. (-) 1885.75 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. Declining in hotel rooms and occupancy rates.
4. High Competition and low operating Margin.

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

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

**SEGMENTS**

**PAPER DIVISION**

We are pleased to inform to our stakeholders, that 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:**

- c) Paper and Paper Board
- d) Newsprints

**Benefits of Manufacturing Newsprints**

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

The Detail of Newsprints manufacture and sale during the Fiscal year 2012-13 and 2013-14 are as under:

(In MT)

Particular	2013-14	2012-13
Production	28979.77	28358.47
Sale	28947.81	28213.66

#### **HOTEL DIVISION**

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

The Financial Results of the Hotel Division for the year 2013-14 and 2012-13 are as under:

(In Rs. Lacs)

Particular	2013-14	2012-13
Net Revenue	3921.56	4738.69
EBIDTA	569.83	1558.45

#### **MATERIAL CHANGES**

The Company has made the following material changes after the end of the financial year of the Company dated 31<sup>st</sup> March, 2014 and before the date of signing of this Report.

##### **Resignation of Mr. Anant Prakash from the post of Company Secretary**

Mr. Anant Prakash, Company Secretary of the Company has tendered his resignation from the post of the Company Secretary of the Company and the Board has accepted his resignation letter w.e.f. 16<sup>th</sup> April, 2014.

##### **Appointment of Additional Director on the Board**

Mr. Shiv Pravesh Chaturvedi has been appointed as the Additional Director of the Company as on 1<sup>st</sup> April, 2014 as per the provisions of the Companies Act.

##### **Appointment of the Chief Financial Officer**

Mr. Sanjay Kumar Sharma, Senior Manager (Accounts & Finance) has been appointed as Chief Financial Officer (CFO) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013 w.e.f. 26<sup>th</sup> April, 2014.

#### **DIVIDEND**

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

In view of the aforesaid facts, your Directors regret their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2014.

#### **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. Information required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in **Annexure A**, forming part of this Report.

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

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

**i. Import and Export Activities:** During theyear under review the Company have made Import/Export as given below:

(Amount in Rs. Lacs)

Total Import: Paper	113.14
Hotel	Nil
Total Export: Paper	Nil
Hotel	Nil

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

(Amount in Rs. Lacs)

Total Foreign Exchange Inflow	762.65
Total Foreign Exchange outflow	19.65

**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**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Parmod Kumar Jain is 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.

Further, Section 149 warrants that an independent director shall hold office for a term up to five consecutive years on the Board of the Company. Hence, it is decided to fix the tenure of the independent directors of the Company in the Annual General Meeting of the Company. Following are the independent directors of the Company:

1. Mr. Subash Oswal
2. Mr. Shri Krishan Jain
3. Mr. Rakesh Garg
4. Mr. Naveen Jain

**AUDITORS**

M/s Aggarwal & Rampal, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under Second proviso of Section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

**AUDITORS' REPORT**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory except following qualifications/ observations/ reservations:

- 1. Note no 27(B) with regard to No provisions has been made on the contingent liabilities.**

Expl. by the Board:

- a) EPCG Export Obligation: The Company has to fulfill export obligation of Rs. 51.04 Cr by 2017-18 and Rs. 0.71 Cr by 2019-20. The Company has already fulfill export obligation of Rs. 26.83 Cr during 2009-10 to 2013-14 i.e. in 4 years and confident to achieve the balance export obligation within the stipulated time.
- b) Contingent Liability for Custom & Excise: In some cases, Company has already got favorable decision from CESTAT and matters were pending at High Court due to Deptt. Writ Petitions. The Company does not foresee any ascertained liability.

Based on above, the Company has not provided any provisions for contingent liabilities and if any provisions would be required in future, it shall be provided as per law.

- 2. The company had whole-time Company Secretary as required by section 383A of The Companies Act 1956, who resigned on 16<sup>th</sup> April 2014. As per Section 203(4) of The Companies Act 2013, the vacancy shall be filled up by the Board within a period of Six Months from the Date of Resignation. As informed to us the company is in the process of appointing a whole time Company Secretary.**

Expl. by the Board: The Company Secretary shall be appointed within stipulated time.

- 3. The Company has not updated its records of fixed assets showing full particulars including quantitative details and situation of Fixed Assets and the verification report of Fixed Assets has not been provided to us for verification.**

Expl. by the Board: The Company has updated its records of Fixed Assets.

**4. The Company has an in house internal audit system which does not commensurate with the size and nature of its business and it further needs to be strengthened.**

Expl. by the Board: The Company has appointed M/s B L Chakravarti & Associates, Chartered Accountant as internal auditor.

**5. As explained and informed to us by the management, Due to External Factors, the Company was irregular in payment of its obligations to Financial Institutions, or Banks. Subsequently, the Financial Institutions, or Banks agreed to re-structure the debts along with concession in rate of interest and Re-Structuring Package approved by Corporate Debt Restructuring Executive Group Committee (CDR EG) in its meeting on 24th December 2013 vide its Letter of Approval No. 863 Dated 30th December 2013.**

Expl. by the Board: In March 2013, The Company informed Banks during JLM that due to the following factors, the company's EBITDA is not sufficient to honour the payment obligations of the Bank.

1. Decrease in Room Rental and Occupancy due to addition of huge room inventory in Delhi NCR region in anticipation of huge requirements due to Common Wealth Games in Delhi.
2. Unexpected increase in the prices of Electricity; Coal, Diesel; Petcoke resulting Increase in the Power & Fuel Cost due to all time high in crude price and coal block scam.
3. Banks has increased in Rate of interest several times during previous years resulting additional burden of 4% to 4.5%. The Company weighted average rate of interest was 15% approx.
4. Prolonged Economic Slow down

All Banks agreed that all of the above factors are beyond control of Management and advised to get Technical & Economic Viability (TEV) Report from a reputed organization.

M/s Dun & Bradstreet conducted the Technical & Economic Viability (TEV) study of the Company and the major observations are as under:

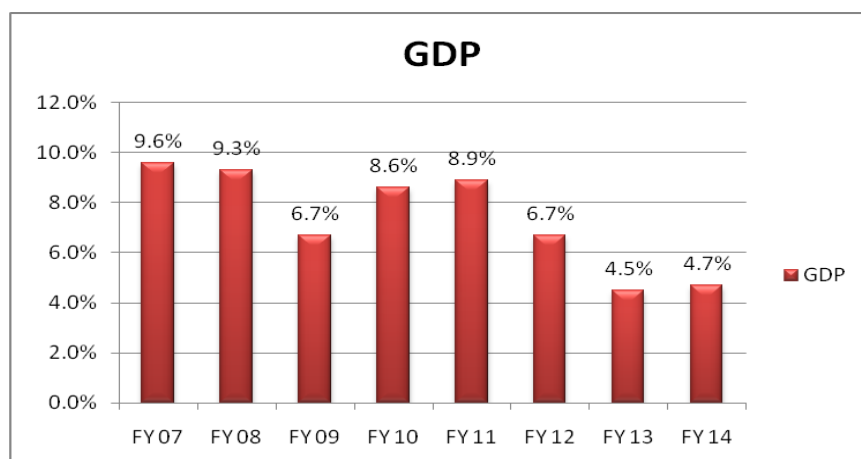
- A. Paper Products demand in the country is expected to increase by 8% in coming years.
- B. Hotel Industry in India contributes about 6.4% GDP & its share is expected to increase 7% in next 10 years.
- C. DSCR, Gap between IRR & COC, Loan Life Ratio, Expected ROCE, all meet requirement of CDR norms.
- D. Financial & Technical viability is not a question mark

Based on the above, All Banks sanctioned the re-work package. The Salient Feature of the package is as under:

1. Cut Off Date : 01<sup>st</sup> April 2013
2. Reduction in Rate of Interest on Term Loans and Working Capital to 11.50% (Base rate of PNB + 1.25%).
3. Reduction in Rate of Interest on FITL and WCTL to 10.25% (Base rate of PNB).
4. Ballooning of Hotel Term Loan for 13 year and repayment shall be in structured EMI i.e. till 31.03.2026.
5. Ballooning of Paper Term Loan, FITL, WCTL and Additional Term Loan and repayment in structured EMI i.e. till 31.03.2023

The Weighted Average Rate of Interest before approval of the rework package was 15% approx and after re-work package; the weighted Average Rate of Interest would be 11.25% approx., resulting saving of 11 Cr p.a. approx

Further, we would like to inform that following are the India GDP % of previous 8 years. The GDP was highest in FY 2007. Due to Economic Slowdown; High Inflation; it has decreased to 4.5% in FY 13, the lowest. There was slight improvement in the GDP in FY 14 over FY 13.



We had conceptualized and started the Hotel Division in 2007 when the GDP was highest and estimated the projections. Further, The Hotel Division started the operation in FY 10 when the GDP was 8.6%. Due to economic slowdown; high inflation; decline in spending capacity, the GDP decreases to its lowest level 4.5%.

Further, after the stable Government with clear majority in the Central; Indian Economy revival is expected in ensuing years. After economic revival; Tourism Industry; Hotel Industry and Packaging Industry shall be benefited and your company will also be benefitted.

#### **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, 2014, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Munish Kumar Sharma, Company Secretary in Practice on confirming compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges forms part of Report on Corporate Governance as Annexure -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 2012-13 to the Central Government on 27<sup>th</sup> September, 2013.

Particulars of Cost Auditors' are mentioned below:

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

#### **INTERNAL AUDITOR**

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

Particulars of Internal Auditors' are mentioned below:

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

#### **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, 2014 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 2014-15 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  
**MAGNUM VENTURES LIMITED**

Date: 1<sup>st</sup> August, 2014  
Place: Delhi

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

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

**FORM A**  
(See Rule 2)

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

**A. Power and fuel Consumption**

**1 Electricity**

**(a) Purchased**

	Current Year (2013-14)	Previous Year (2012-13)
Unit	10380640	16401309
Total Amount	75968976	88843275
Rate/Unit	7.32	5.42

**(b) Own generation**

**(i) Through Diesel Generator**

Unit	216000	1698000
Units per ltr. of diesel oil	3.00	3.00
Cost/Units	17.39	13.77

**(ii) Through steam turbine**

Units	30198353	20397170
Units per kgs of Coal/Petcoke	1.12	1.29
Cost/Units	4.12	4.31

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

**Particulars**

Quantity	IN MT	33824.96	26456.15
Total Cost	IN LACS	2830.78	2074.91
Average rate	IN MT	8368.92	7842.81

**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**

Standars (if any)	Current Year	Previous Year
	1	2
<b>Production Kg.</b>	<b>68711581</b>	<b>59901306</b>
Electricity (per Unit.)	0.68	0.64
Furnance oil	Nil	Nil
Coal & Pet Coke (Per kg.)	0.49	0.44
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, other stakeholders and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

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

**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, 2014. 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	Non- Executive & Promoter	Nil	Nil	Nil
Mr Praveen Kumar Jain Director	Non-Executive & Promoter	Nil	Nil	Nil
Mr Subhash Oswal Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Shri Krishan Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Rakesh Garg Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Naveen Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Bikash Narayan Mishra Nominee Director	Nominee Director	1	Nil	Nil

**Directors' Attendance Record**

During the Financial Year 2013-14, (6) six meetings of the Board of Directors were held on 25.05.2013, 14.07.2013, 14.08.2013, 12.11.2013, 11.02.2014, and 31.03.2014. 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 2013-14 are as under:

Name of the Director	No. Of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Abhey Kumar Jain	6	6	Yes



Mr Pradeep Kumar Jain	6	5	Yes
Mr Parmod Kumar Jain	6	6	Yes
Mr Praveen Kumar Jain	6	1	No
Mr Subash Oswal	6	5	Yes
Mr Shri Krishan Jain	6	6	Yes
Mr Rakesh Garg	6	6	Yes
Mr Naveen Jain	6	6	Yes
Mr Bikash Narayan Mishra*	6	1	No

\*Nominee Director

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

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

Particulars	Mr. Parmod Kumar Jain	Mr. Shiv Pravesh Chaturvedi
DIN	01222952	06834388
Father's Name	Salek Chand Jain	Hari Shankar Chaturvedi
Date of Birth	02-04-1956	01-01-1975
Address	4326/3, Ansari Road, Darya Ganj, New Delhi-110002	C-1103, Arunima Palace, Sector-4, Vasundhara,, Ghaziabad, 201012
Designation	Director	Additional Director
Education	B.Com from Delhi University	MBA (HR)
Experience	34 Years	20 Years
Companies in which holds Directorship	Nil	Nil
Companies in which holds membership of Committees	Nil	Nil
Shareholding in the Company (No. & %)	<b>Number of Shares:</b> Equity Shares: 200,150  <b>Percentage:</b> Equity Shares: 0.53	NIL

### 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/ terms/ remuneration of Auditors.
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Examination of the financial statement and the auditor's report thereon
- v. Reviewing along with management, the listing compliances, related party disclosures (including subsequent modification of transactions), 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.

- vi. Evaluation and to look into all matters relating to internal control system, internal financial controls, internal audit system, risk management systems and the reasons for substantial defaults in the payment to the depositors.
- vii. To review functioning of “Whistle Blower Mechanism”, if any.
- viii. Valuation of undertakings or assets of the Company, whenever necessary.

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)

As Mr. Anant Prakash, Company Secretary of the Company, who was ex-officio secretary of the committee has resigned from the post of Company Secretary *w.e.f.* 16<sup>th</sup> April, 2014, hence, presently there is no Secretary of the committee.

**(c) Attendance**

The Committee met four (4) times during the Financial Year 2013-2014 on the following dates: 25.05.2013, 14.08.2013, 12.11.2013 and 11.02.2014. 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. STAKEHOLDERS RELATIONSHIP COMMITTEE (Previously known as ‘Investor’s Grievances Committee’)**

**(i) Terms of Reference:**

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

**(ii) Composition:**

The Investors’ Grievance Committee comprised of the following directors:

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

As Mr. Anant Prakash, Company Secretary of the Company, who was ex-officio secretary of the committee has resigned from the post of Company Secretary *w.e.f.* 16<sup>th</sup> April, 2014, hence, presently there is no Secretary of the committee.

**(iii)** Mr. Pradeep Kumar Jain, Managing Director of the Company is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

**(iv)** Details of investor/ security holder complaints received and redressed during the year 2012-13 are as follows:

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

**(v) Attendance**

The Committee met four (4) times during the Financial Year 2013-2014 on the following dates: 17.05.2013, 10.08.2013, 05.11.2013 and 11.02.2014. Details of attendance of Directors in the Investors' Grievance Committee meeting are as under:

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

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

**5. NOMINATION & REMUNERATION COMMITTEE (Previously known as 'Remuneration Committee')**

**(a) Terms of Reference**

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

**(b) Composition**

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

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

As Mr. Anant Prakash, Company Secretary of the Company, who was ex-officio secretary of the committee has resigned from the post of Company Secretary *w.e.f.* 16<sup>th</sup> April, 2014, hence, presently there is no 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 two (2) times during the Financial Year 2013-2014 on the following dates: 17.05.2013 and 31.03.2014. Details of attendance of Directors in the Nomination & Remuneration Committee meeting are as under:

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

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

The Managing Director and Executive Directors of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Mr. Pradeep Kumar Jain, Managing Director, Mr. Abhey Kumar Jain, Whole Time Director and Mr. Pramod Kumar Jain, Director of the Company have received remuneration for the financial year 2013-14. 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, 2014**

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

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

**6. GENERAL BODY MEETINGS**

Particulars of last three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
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
2013	13.08.2013	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	03:00P.M.	4

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
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

2013	13.08.2013	<ul style="list-style-type: none"><li>• Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Vinod Kumar Jain as the President of the Company.</li><li>• Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Ritesh Jain as the Vice-President of the Company.</li><li>• Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Rishab Jain as the Vice-President of the Company.</li><li>• Approval of the members pursuant to the provisions of the Section 198, 309, 310, 314 of the Companies Act, 1956 for the appointment of Mr. Pramod Kumar Jain as the Director-Sales &amp; Marketing of the Company.</li></ul>
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## **7. DISCLOSURES**

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

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

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

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

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

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

## **8. CODE OF CONDUCT**

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

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

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

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

## **9. MEANS OF COMMUNICATION**

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

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

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

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

## **10. GENERAL SHAREHOLDERS INFORMATION**

**i) Annual General Meeting**

Day & Date	Time	Venue
Wednesday, 10 <sup>th</sup> September, 2014	11:00 A.M.	Galib Institute, AIWAN-E GALIB MARG, New Delhi-110002

**ii) Financial Calendar**

Event	Tentative Time Frame
Financial Reporting for the 1 <sup>st</sup> quarter ended 30 <sup>th</sup> June, 2013	14 <sup>th</sup> August, 2013
Financial Reporting for the 1 <sup>st</sup> quarter ended 30 <sup>th</sup> September, 2013	12 <sup>th</sup> November, 2013
Financial Reporting for the 1 <sup>st</sup> quarter ended 31 <sup>st</sup> December, 2013	11 <sup>th</sup> February, 2014
Financial Reporting for the 1 <sup>st</sup> quarter ended 31 <sup>st</sup> March, 2014	Last week of May, 2014

**iii) Dates of Book Closure:** 8<sup>th</sup> September, 2014 to 10<sup>th</sup> September, 2014 (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:

Month	High	Low	Volume
April 2013	4.4	3.05	25848
May 2013	3.3	2.49	49285
June 2013	2.81	2.24	38636
July 2013	2.79	2.18	39083
August 2013	2.52	1.6	12098
September 2013	2.24	1.61	15650
October 2013	2.63	2	41240
November 2013	2.2	1.72	36062
December 2013	2.2	1.84	43284
January 2014	2.87	2.2	15387
February 2014	2.84	2.42	27521
March 2014	2.58	2.11	53097

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 2013	3.55	3	4699
May 2013	3.25	2.55	10327
June 2013	2.55	2.3	11040
July 2013	2.5	2.3	3060
August 2013	2.35	2.15	4884

September 2013	2.35	1.9	11263
October 2013	2.35	2.05	21515
November 2013	2.05	1.8	12739
December 2013	2.1	1.9	11991
January 2014	2.8	2.2	16344
February 2014	2.85	2.55	15245
March 2014	2.7	2.2	53828

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

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

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

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

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

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

**ix) Distribution of Shareholding as on 31st March 2014:**

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% in Total
(1)	(2)	(3)	(4)	(5)	(6)
Up to 5,000		9071	70.063	19544580	5.198
5,001	10,000	1807	13.957	15954800	4.243
10,001	20,000	948	7.322	15144750	4.028
20,001	30,000	371	2.847	9816970	2.611
30,001	40,000	152	1.174	5560020	1.479
40,001	50,000	169	1.305	8091620	2.152

50,001	1,00,000	228	1.761	17080450	4.541
1,00,001 and above		201	1.552	284825650	75.748
<b>Total</b>		<b>12947</b>	<b>100</b>	<b>376018840</b>	<b>100</b>

**x) De-materialization of shares and liquidity:** As on 31st March, 2014 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.



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 2014 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: 1<sup>st</sup> August, 2014  
Place: Delhi

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

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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, 2014 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/-  
**Munish K Sharma**  
**Company Secretary**  
FCS: 6031  
CP: 6460

Date: 1<sup>st</sup> August, 2014  
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 of 65,000 Square Meters and Five Lacs Square feet Building Area in Sahibabad Industrial Area, Ghaziabad (Uttar Pradesh).

Magnum currently operates in Paper Industry and Hotel Industry. The Company is manufacturing papers since more than 25 Years. The Company is one of the largest writing and printing paper and duplex paper printing concern in the Northern region. The existing manufacturing activities cover printing and writing papers, duplex boards, Xerox paper, Wrapping and packing paper and so on with installed capacity of 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 knowledge which as a result leads to the overall growth of the paper industry. The Indian paper industry is said to be growing in the line with the GDP of the country. Paper being an essential commodity has its socio- economic importance in the overall development of the country which is directly linked with the educational and the industrial growth. With the increasing competition, the Company so as to maintain a sustainable position in the market has to make a planned approach towards attaining its goal of maximum profit by overcoming the challenge of raw material availability, manpower, short term over capacity situation, environmental foot print etc.

**Hotel Industry**

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

### SWOT ANALYSIS

#### STRENGTHS:

##### **Paper Industry**

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

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

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

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

##### **Hotel Industry**

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

#### WEAKNESSES:

##### **Paper Industry**

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

The biggest challenge facing pulp and paper industry in India is the procurement of raw materials. As availability of forest based raw materials such as wood and bamboo, is limited, pulp and paper companies have to depend upon the imported raw materials. The companies have to incur huge transportation cost in shipping wood chips and other raw materials from various countries. As a result, the fortunes of the industry depend on the great extent on the foreign exchange rate.

##### **Hotel Industry**

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

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

## **OPPURTUNITIES:**

### **Paper Industry**

Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, tissues, etc. New technologies and modern management will have vital part in this process. Besides that many overseas players are entering India by acquiring or by setting up new plants in Indian soil with an aim to make India as a paper manufacturing hub which will bring huge investments to Indian Pulp and Paper Industry.

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

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

### **Hotel Industry:**

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

## **THREATS:**

### **Paper Industry**

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

### **Hotel Industry**

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

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

## **HUMAN RESOURCE**

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

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

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

We tend to maintain right number of employees at the right time at the right place. Our Company's human resource management strategy maximizes return on investment in the human capital and minimizes financial risk. Human Resources seeks to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the company's on-going and future business plans and requirements to maximize return on investment and secure future

survival and success. In ensuring to achieve our objectives, the human resource function purpose in this context is to implement the human resource requirements effectively but also practically, taking account of legal, ethical and as far as is practical in a manner that retains the support and respect of the workforce.

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

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

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

The company has an audit committee which oversees the adequacies of the system of the internal control and report to the board. 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 (2013-14)</b>		<b>Previous Year (2012-13)</b>	
	Quantity (Kgs)	Value (Amt in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	68727175	1788441085	59892673	1457339970
Hotel division	-	389849250	-	472757081

**SECRETARIAL AUDIT REPORT**

The Board of Directors  
Magnum Ventures Limited  
685, Chitla Gate,  
Chawri Bazaar,  
Delhi-110006

We have examined the registers, records and documents of Magnum Ventures Limited (“the Company”) for the financial year ended on March 31, 2014 according to the provisions of:

- The Companies Act, 1956 and the Rules made under that Act;
- The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited; and
- The Memorandum and Articles of Association;

1. Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 (“the Act”) and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members / Debenture holders;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 33<sup>rd</sup> Annual General Meeting held on August 13, 2013 ;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors and Cost Auditors;
- (m) transfers and transmissions of the Company’s shares and debentures;
- (n) borrowings and registration, modification and satisfaction of charges wherever applicable;
- (o) investment of the Company’s funds including inter corporate loans and investments and loans to others;
- (p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- (q) Directors’ report;
- (r) contracts, common seal, registered office and publication of name of the Company; and
- (s) generally, all other applicable provisions of the Act and the Rules made under the Act.

2. We further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
- (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
- (d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

3. The Company has complied with the provisions of the Securities Contracts (Regulations) Act, 1956 and the Rules made under the Act, with regard to maintenance of minimum public shareholding.

4. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialization of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

5. We further report that:

(a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited.

(b) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Sd/-

**Munish Kumar Sharma**

Practising Company Secretary  
Certificate of Practice No. 6460

Date: 1<sup>st</sup> August, 2014

Place: Kaushambi, Ghaziabad

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS' OF  
**M/S MAGNUM VENTURES LIMITED**  
**(FORMERLY KNOWN AS 'MAGNUM PAPERS LIMITED')**

We have audited the accompanying financial statements of **M/S MAGNUM VENTURES LIMITED (FORMERLY KNOWN AS 'MAGNUM PAPERS LIMITED')** ("The Company") which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT RESPONSIBILITY:**

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.

**AUDITOR'S RESPONSIBILITY:**

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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

**OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to **Note no 27(B) with regard to No provisions has been made on the contingent liabilities.**

- i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Companies Act, 1956, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the 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.
  - g) *The company had whole-time Company Secretary as required by section 383A of The Companies Act 1956, who resigned on 16<sup>th</sup> April 2014. As per Section 203(4) of The Companies Act 2013, the vacancy shall be filled up by the Board within a period of Six Months from the Date of Resignation. As informed to us the company is in the process of appointing a whole time Company Secretary.***

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

Sd/-  
Vinay Aggarwal  
Partner  
M.No.082045

Place: New Delhi  
Date: 30/05/2014

**ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF M/S MAGNUM VENTURES LIMITED, PURSUANT TO THE COMPANIES (AUDITORS' REPORT) ORDER 2003 ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014**

- i. (a) ***The Company has not updated its records of fixed assets showing full particulars including quantitative details and situation of Fixed Assets.***
- (b) As explained to us, most of the fixed assets have been physically verified by the management during the year and as per the explanations and information given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts. ***However, the verification report of Fixed Assets has not been provided to us for verification.***
- (c) During the year, the Company has not disposed off any part of the fixed assets, which will have the effect on the going concern of the company.
- ii. (a) As explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) As explained and based on the information given to us, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act. 1956.
- iv. In our opinion and according to the information and explanations given to us, the company has a system of internal control and its evaluation on regular basis to strengthen it, in order to make it commensurate with the size of company and the nature of its business with regard to purchase of inventory, fixed assets, and with regard to the sale of goods
- v. (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the company has entered all transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant times.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits as defined within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 .
- vii. ***The Company has an in house internal audit system which does not commensurate with the size and nature of its business and it further needs to be strengthened.***
- viii. The Company has prepared and maintained cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
- ix (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as at March 31, 2014 for a period of more than six months from the date they became payable.

According to the records of the Company, there are following dues of Central Excise Department as on March 31, 2014 which have not been deposited on account of disputes : -

- Rs. 26,135 (Plus Interest and Penalty) for the period September 2010 to April 2011.
- Rs. 1,73,115 (Plus Interest and Penalty) for the period February 2009 to August 2010.

- Rs. 1,58,816 (Plus Interest and Penalty) for the period F/Y 2004-05 to F/Y 2007-08.

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

- x. The Company does not have any accumulated losses. Further it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. *As explained and informed to us by the management, Due to External Factors, the Company was irregular in payment of its obligations to Financial Institutions, or Banks. Subsequently, the Financial Institutions, or Banks agreed to re-structure the debts along with concession in rate of interest and Re-Structuring Package approved by Corporate Debt Restructuring Executive Group Committee (CDR EG) in its meeting on 24<sup>th</sup> December 2013 vide its Letter of Approval No. 863 Dated 30<sup>th</sup> December 2013.*
- xii. Based on the records, we report that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund company or mutual fund / Society, thus the provisions of this Para are not applicable.
- xiv. The Company does not deal in Shares or Debentures.
- xv. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The Company has not availed any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except core (permanent) working capital.
- xviii. As explained and informed to us by the management and upon our examination of records we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. During the period covered by our audit report, The Board of Directors of the Company had allotted 341200 Non-Convertible, Non-Cumulative Redeemable Debentures of face value of Rs. 1000/- each at par payable on 31-03-2026 as per the CDR Terms and Conditions.
- xx. During the financial year, the Company did not raise any money by public issue.
- xxi. To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company has been noticed and reported during the year.

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

Sd/-  
**Vinay Aggarwal**  
**Partner**  
**M.No.082045**

Place: New Delhi  
Date:30/05/2014

**MAGNUM VENTURES LIMITED**  
**(FORMERLY KNOWN AS MAGNUM PAPERS LIMITED)**  
**BALANCE SHEET AS AT 31ST MARCH 2014**

PARTICULARS	Note No.	For the Year ended as on 31.03.2014	For the Year ended as on 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	62,60,18,840	62,60,18,840
Reserves and surplus	2	-21,97,80,700	-3,12,05,175
<b>Non-current liabilities</b>			
Long-term borrowings	3	3,33,05,10,542	2,56,67,16,410
Other Long Term Liabilities	4	6,00,00,000	18,95,874
Long Term Provisions	5	1,32,61,707	1,31,49,074
<b>Current Liabilities</b>			
Short Term Borrowings	6	44,01,22,180	64,88,63,479
Trade Payable	7	16,07,97,281	18,67,23,677
Other Current Liabilities	8	7,51,08,608	12,95,82,469
Short Term Provisions	9	27,07,755	8,04,781
<b>TOTAL</b>		<b>4,48,87,46,213</b>	<b>4,14,25,49,429</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) (a) Tangible assets	10	2,72,91,09,891	2,89,38,86,089
(ii) Intangible Assets	11	12,67,757	16,39,631
Deferred tax assets (net)	12	27,26,79,101	20,69,05,651
Long-term loans and advances	13	35,14,42,893	1,22,00,440
<b>Current assets</b>			
Inventories	14	14,51,36,277	13,43,27,060
Trade receivables	15	86,96,05,590	79,30,46,167
Cash and cash equivalents	16	1,32,44,541	93,74,172
Short-term loans and advances	17	10,54,67,479	8,39,79,908
Other Current Assets	18	7,92,684	71,90,310
<b>TOTAL</b>		<b>4,48,87,46,213</b>	<b>4,14,25,49,429</b>

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

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As Per Our Report Attached

**Aggarwal & Ramal**

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

Partner

Membership No: 082045

For And On Behalf of the Board of Directors

Sd/-

Pradeep K. Jain

Managing Director

DIN

00024879

Sd/-

Abhey K. Jain

Whole Time Director

DIN

01876385

Place : New Delhi

Date: 30/05/2014

Sd/-

Sanjay Sharma

CFO

**MAGNUM VENTURES LIMITED**  
**(FORMERLY KNOWN AS MAGNUM PAPERS LIMITED)**  
**PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED AS ON 31ST MARCH 2014**

Particulars	Refer Note No.	For the Year ended as on 31.03.2014	For the Year ended as on 31.03.2013
Revenue from operations	19	2,13,65,76,216	1,90,49,27,989
Other income	20	2,57,02,698	13,11,578
<b>Total Revenue</b>		<b>2,16,22,78,914</b>	<b>1,90,62,39,567</b>
<b>Expenses</b>			
Cost of Material Consumed	21	1,50,45,80,861	1,34,11,98,596
Change in Inventory of Finished Goods & W.I.P	22	1,07,754	-32,77,562
Employee Benefit Expense	23	16,91,22,092	15,83,24,961
Finance Cost	24	36,04,33,567	45,18,57,927
Depreciation and amortization expense	25	19,15,86,636	21,09,67,612
Other Expenses	26	18,85,81,611	15,41,65,002
<b>Total Expenses</b>		<b>2,41,44,12,521</b>	<b>2,31,32,36,536</b>
<b>Profit Before Tax</b>		<b>-25,21,33,607</b>	<b>-40,69,96,970</b>
<b>Extra-Ordinary Items</b>			
Effect of change in Method of Depreciation		-	40,33,96,217
Tax expense:			
Current tax		22,15,368	76,187
Deferred tax		-6,57,73,450	-6,28,347
<b>Profit After Tax for the Period</b>		<b>-18,85,75,524</b>	<b>-30,48,593</b>
<b>Earnings per equity share:</b>			
(1) Basic		-5.02	0.08
(2) Diluted		-5.02	0.08

Significant Accounting Policies  
& Other Notes to accounts  
see accoumpying notes to financial statements  
As Per Our Report Attached

**Aggarwal & Ramal**  
Chartered Accountants  
F.R. No 003072N

For And On Behalf of the Board of Directors

**Sd/-**  
Vinay Aggarwal  
Partner  
Membership No: 082045

**Sd/-**  
Pradeep K. Jain  
Managing Director  
DIN: 00024879

**Sd/-**  
Abhey K. Jain  
Whole Time Director  
DIN: 01876385

Place : New Delhi  
Date: 30/05/2014

**Sd/-**  
Sanjay Sharma  
CFO

**MAGNUM VENTURES LIMITED**  
(Formerly Known as 'Magnum Papers Limited')  
**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH 2014**

	Amount in INR(Rs.)	
PARTICULARS	As at 31.03.2014	As at 31.03.2013
<b>CASH FLOW FROM OPERATIONS</b>		
A) Profit before Taxation	-25,21,33,607	-40,69,96,970
B) Adjustments		
ADD		
i Depreciation	19,15,86,636	21,09,67,612
ii Interest expenses	36,04,33,567	45,18,57,927
iii Profit on sale of fixed assets	-81,97,719	-38,740
iv Provision for Gratuity	44,28,236	8,19,961
v Provision for leave Encashment	-24,62,252	10,19,717
vi Provisions for Bonus	49,623	-2,96,551
<b>Less</b>		
Interest income	1,86,442	83,832
	54,56,51,648	66,42,46,094
	29,35,18,042	25,72,49,125
Operating profit before working capital changes		
C) (Increase)/ Decrease in Current Assets		
i Inventories	-1,08,09,217	-1,81,83,959
ii Sundry Debtors	-7,65,59,423	-12,28,72,985
iii loans & advances & other Current Assets	-35,43,32,398	-1,28,73,823
Increase / (Decrease) in Current Liabilities		
i Sundry Creditors	-2,59,26,396	-5,52,346
ii Advance from Customers	-1,11,73,248	1,54,56,262
iii Expenses Payable	-71,26,789	25,10,523
iv other liability	-24,49,15,123	16,26,44,490
v Miscellaneous expenses incurred	0	0
	-73,08,42,593	2,61,28,162
Cash generated from operations	-43,73,24,551	28,33,77,287
Wealth tax paid	-22,15,368	-76,187
Income tax & FBT	0	0
	-22,15,368	-76,187
Effect of Extra Ordinary Item	0	40,33,96,217
<b>NET CASH FROM OPERATIONS</b>	-43,95,39,919	68,66,97,316
<b>INVESTING ACTIVITIES</b>		
i Additions to Capital work in progress	0	0
ii Additions to fixed assets(Net of Sales)	-1,82,40,844	-43,70,40,519
iii Increase in investment	0	0
iv Interest Income	1,86,442	83,832
<b>NET CASH FROM INVESTING ACTIVITIES</b>	-1,80,54,402	-43,69,56,687
<b>FINANCING ACTIVITIES</b>		
i Issue of Shares	0	25,00,00,000
ii Increase in Share Premium	0	0
iii Decrease in Investments	0	0
iv Borrowings	82,18,98,258	-9,37,94,458
v Interest Paid	-36,04,33,567	-45,18,57,927
<b>NET CASH FROM FINANCING ACTIVITIES</b>	46,14,64,691	-29,56,52,384
Net Change in cash and cash equivalents (A+ B + C)	-38,70,369	-4,59,11,755
Cash and cash equivalents at the beginning of the period (See Note-3)	93,74,172	5,52,85,927
Cash and cash equivalents at the end of the period (See Note-3)	1,32,44,541	93,74,172

**Notes :-**

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

Particulars	As at 31.03.2014	As at 31.03.2013
Cash in hand	7,85,558	14,21,711
FDR with the Bank	2,00,000	9,78,611
Balance with scheduled banks in current accounts	1,22,58,983	69,73,850
<b>Total</b>	1,32,44,541	93,74,172

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

For And On Behalf of the Board of Directors

Sd/-  
Vinay Aggarwal  
Partner  
Membership No: 082045  
Place : New Delhi  
Date: 30/05/2014

Sd/-  
Pradeep K. Jain  
Managing Director  
DIN: 00024879

Sd/-  
Abhey K. Jain  
Whole Time Director  
DIN: 01876385

Sd/-  
Sanjay Sharma  
CFO

Note 1

Share Capital	For the Year ended as on 31.03.2014		For the Year ended as on 31.03.2013	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs.10 each	3,90,00,000.00	39,00,00,000.00	3,90,00,000.00	39,00,00,000.00
Preference Shares of Rs. 100 each	30,00,000.00	30,00,00,000.00	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	25,00,000.00	25,00,00,000.00
<b>Total</b>		<b>62,60,18,840.00</b>		<b>62,60,18,840.00</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 Outstanding**

Particulars	AS AT 31.03.2014		AS AT 31.03.2013	
	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 31.03.2014		AS AT 31.03.2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	25,00,000.00	25,00,00,000.00	-	-
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>	25,00,000.00	25,00,00,000.00

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

Name of Shareholder	AS AT 31.03.2014		AS AT 31.03.2013	
	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	25,00,000.00	25,00,00,000.00

Note 2

<u>Reserves &amp; Surplus</u>	For the Year ended as on 31.03.2014	For the Year Ended as on 31.03.2013
<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	-41,79,87,041.74	-41,49,38,448.78
(+/-) Profit/(Loss) During the Year	-18,85,75,524.50	-30,48,592.96
<b>Closing Balance</b>	<b>-60,65,62,566.24</b>	<b>-41,79,87,041.74</b>
<b>Total</b>	<b>-21,97,80,699.64</b>	<b>-3,12,05,175.14</b>

Note 3

<u>Long Term Borrowings</u>	For the Year ended as on 31.03.2014	For the Year Ended as on 31.03.2013
<b>Debentures</b>		
Zero Coupon Non-Convertible Debentures (341200 Debentures of Rs. 1000/- each)	34,12,00,000.00	-
<b>Term Loan</b>		
<b>Secured</b>		
<b>From Banks</b>		
Indian overseas Bank	31,96,84,029.93	29,24,35,975.00
PNB	84,71,41,788.71	76,21,22,437.00
Syndicate Bank	74,40,94,295.57	65,62,46,061.33
Oriental Bank Of Commerce	37,15,70,594.55	30,94,03,250.00
Allahabad bank	20,74,07,355.68	19,39,46,774.42
Vijaya Bank	28,50,13,183.41	24,07,75,104.00
	-	-
Unsecured Loans From Related Parties & Others	21,27,74,436.24	10,97,23,771.24
Long Term maturities of Finance Lease Obligations	16,24,857.92	20,63,037.23
<b>Total</b>	<b>3,33,05,10,542.01</b>	<b>2,56,67,16,410.22</b>
<b>Note:</b> Issued to bankers against their sacrifice (341200 Debentures of Rs. 1000/- each payable on 31-03-2026)		
<b>Working Capital Limit (Paper Division)</b> 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 (Paper Division)</b> 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). 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.		
<b>Term Loan-Hotel Division</b> First charge on present/future blocks assets of Hotel division ranking pari-passu with other lenders of the project. (OBC, PNB, SYB, IOB & Allahabad Bank, Vijaya Bank).		
<b>Collateral</b> 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. 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.		

Note 4

<u>Other Long Term Liabilities</u>	For the Year ended as on 31.03.2014	For the Year ended as on 31.03.2013
<b>Others</b>		
Trade Payable exceeding Normal Operating Cycle	-	-
Cess Payable to U.P.P.C.B	-	18,95,874.20
Advance against Property	6,00,00,000.00	-
<b>Total</b>	<b>6,00,00,000.00</b>	<b>18,95,874.20</b>

Note 5

<u>Long Term Provisions</u>	For the Year ended as on 31.03.2014	For the Year ended as on 31.03.2013
<b>Provision for Employee benefits</b>		
Provision for Gratuity	92,97,002.00	63,46,633.00
Provision for Leave Encashment	39,64,705.00	68,02,441.00
<b>Total</b>	<b>1,32,61,707.00</b>	<b>1,31,49,074.00</b>



Note 6

<b>Short Term Borrowings</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
<b>Secured Term Loan from Banks</b>		
Indian overseas Bank	-	2,21,09,000.00
PNB	-	6,16,84,500.00
Syndicate Bank	-	4,00,21,715.00
Oriental Bank Of Commerce	-	3,38,88,750.00
Allahabad bank	-	1,51,94,500.00
Vijaya Bank	-	1,46,25,000.00
<b>Secured Working Capital Loans from banks</b>		
IOB	3,19,37,127.14	3,29,79,268.14
Oriental Bank of Commerce	25,93,07,904.49	26,26,35,136.73
Syndicate Bank	1,67,32,980.17	2,58,27,418.69
Allahabad Bank	5,33,65,467.78	5,27,82,003.78
PNB	7,87,78,700.72	8,71,16,186.26
<b>Total</b>	<b>44,01,22,180.30</b>	<b>64,88,63,478.60</b>

Note 7

<b>Trade Payable</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Trade Payable within Normal Operating Cycle	16,07,97,280.59	18,67,23,676.66
<b>Total</b>	<b>16,07,97,280.59</b>	<b>18,67,23,676.66</b>

Note 8

<b>Other Current Liabilities</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Interest Accrued and due on borrowings	4,87,64,868.74	8,42,16,098.54
Current maturities of Finance Lease obligations	23,67,132.00	30,89,726.70
Other Payables	1,95,55,858.86	2,66,82,648.03
Advances from Customers & others	44,20,748.00	1,55,93,995.77
<b>Total</b>	<b>7,51,08,607.60</b>	<b>12,95,82,469.04</b>

Note 9

<b>Short Term Provisions</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
<b>Provision for Employee benefits</b>		
Provision for Gratuity	14,77,867.00	-
Provision for Leave Encashment	3,75,484.00	-
Bonus payable	8,54,404.00	8,04,781.00
<b>Total</b>	<b>27,07,755.00</b>	<b>8,04,781.00</b>

**Note 10**

<b>Tangible Assets</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Land	19,09,33,558.86	19,09,33,558.86
Building & Site	84,19,37,937.30	85,47,60,249.65
Computer	24,00,816.31	39,94,610.56
Furniture & Fixture	31,69,50,006.20	36,96,68,050.20
Plant & Machinery	1,15,36,24,488.96	1,23,09,16,989.56
Vehicles	1,32,77,636.54	1,44,08,656.17
Electric Installation	3,39,68,961.49	3,95,51,791.49
Generator	1,01,14,961.36	1,12,67,971.36
Office Equipment	19,12,543.96	12,68,233.32
Fire Fighting Equipment	2,34,034.00	2,76,407.00
Deinking Plant	6,28,35,773.80	6,76,80,318.80
Turbine	10,09,19,171.77	10,91,59,251.77
<b>Total</b>	<b>2,72,91,09,890.55</b>	<b>2,89,38,86,088.74</b>

**Note 11**

<b>Intangible Assets</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Softwares	12,67,757.40	16,39,631.40
<b>Total</b>	<b>12,67,757.40</b>	<b>16,39,631.40</b>

**Note 12**

<b>DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Deferred Tax Assets (A)	44,89,52,191.00	36,88,82,849.00
Deferred Tax Liabilities (B)	17,62,73,090.00	16,19,77,198.00
<b>Net Deferred Tax Asset/ (Liability) (A-B)</b>	<b>27,26,79,101.00</b>	<b>20,69,05,651.00</b>

**Note 13**

<b>Long Term Loans &amp; Advances</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Security Deposit		
Unsecured, Considered good	1,02,42,892.63	1,05,26,883.63
Zero Coupon Non-Convietiable Debentures (Non-Current)	34,12,00,000.00	-
<b>Other Loans &amp; Advances</b>		
Advance against Salary	-	88,142.00
Cess Deposited under protest	-	8,93,495.00
Advacnce to Supplier for Raw Material & Expenses	-	3,309.00
Advacnce to Supplier for Capital Goods	-	6,88,610.00
<b>Total</b>	<b>35,14,42,892.63</b>	<b>1,22,00,439.63</b>

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

**Note 14**

<b>Inventories</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
(As Valued & Certified by the Management)		
Raw Material	5,66,19,043.00	1,96,11,345.30
Work-In-Progress	55,11,350.00	55,40,200.00
Finished Goods	99,00,676.00	99,79,580.00
Chemicals Stores & Consumables	4,96,25,473.00	6,49,27,962.08
Hotel Stock	58,22,896.00	60,94,946.49
Fuel	1,76,56,839.00	2,81,73,026.00
<b>Total</b>	<b>14,51,36,277.00</b>	<b>13,43,27,059.87</b>

Note 15

<b>Trade Receivables</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Trade Receivable outstanding for a period exceeding six months from the Unsecured considered good	5,23,46,225.60	8,76,02,981.38
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good	81,72,59,364.38	70,54,43,186.03
<b>Total</b>	<b>86,96,05,589.98</b>	<b>79,30,46,167.41</b>

Note 16

<b>Cash &amp; Cash Equivalents</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Balance with scheduled banks in current accounts	1,22,58,983.18	69,73,850.28
Cash on hand	7,85,558.22	14,21,710.99
Fixed Deposits with Banks	2,00,000.00	9,78,611.00
<b>Total</b>	<b>1,32,44,541.40</b>	<b>93,74,172.27</b>

Note 17

<b>Short Term Loan &amp; Advances</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
<b>Others</b>		
Unsecured, Considered good		
Advances with Government Authorities & Others	7,41,73,724.11	6,14,50,448.72
Labour, Staff Advance & Imprest	2,56,872.00	3,19,981.00
Advancement to Supplier for Raw Material	2,99,45,554.79	2,09,36,247.25
Advancement to Supplier for Capital Goods	10,91,328.00	12,73,231.29
<b>Total</b>	<b>10,54,67,478.90</b>	<b>8,39,79,908.26</b>

Note: Newprints 864632/- is excise duty deposited under Protest

Note 18

<b>Other Current Assets</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Prepaid Expenses	7,92,684.00	67,12,422.00
Branch / Divisions	-	-
Preliminary Expenses	-	4,77,888.00
<b>Total</b>	<b>7,92,684.00</b>	<b>71,90,310.00</b>

Note 19

<b>Revenue From Operation</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Gross Revenue	2,17,82,90,334.78	1,93,00,97,050.85
Less : Excise Duty	4,90,17,092.00	3,62,32,984.63
Net Revenue from Operations	<b>2,12,92,73,242.78</b>	<b>1,89,38,64,066.22</b>
Other Operating Revenue	86,89,194.60	1,17,26,080.34
Less : Excise Duty	13,86,221.00	6,62,158.00
Net Other Operating Revenue	73,02,973.60	1,10,63,922.34
<b>Total</b>	<b>2,13,65,76,216.38</b>	<b>1,90,49,27,988.56</b>

Note 20

<b>Other Incomes</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Interest recd on FDR	1,86,442.00	83,832.00
Interest accrued on Security Deposit (EEUDD)	6,99,000.00	-
Profit on sale of Fixed Assets	88,26,092.53	38,740.00
Interest on Income Tax Refund	3,39,552.00	-
Service Charges	98,13,986.00	-
Rental Charges	12,39,410.00	9,72,500.00
Insurance Claim	1,85,698.00	-
Service Tax Credit	36,76,766.00	-
Foreign Exchange Gain	2,97,100.81	1,70,268.28
Short & Excess	4,38,650.42	46,238.00
<b>Total</b>	<b>2,57,02,697.76</b>	<b>13,11,578.28</b>

**Note 21**

<b>Cost of Material Consumed</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Raw Material Consumed	83,20,92,724.49	74,31,20,675.26
Power & Fuel Consumed	36,28,04,329.60	31,97,21,338.03
Chemicals Stores & Consumables	30,96,83,806.98	27,83,56,582.77
<b>Total</b>	<b>1,50,45,80,861.07</b>	<b>1,34,11,98,596.06</b>

Note: Debit Note Rs. 2578459/- for Chemical Stores & Consumables and Rs. 4308684/- for Raw Material Consumed

**Note 22**

<b>Changes in Inventory of Finished Goods &amp; Work In Progress</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Changes in Inventory of Finished Goods	78,904.00	-2,47,932.00
Changes in Inventory of Work in Progress	28,850.00	-30,29,630.00
<b>Total</b>	<b>1,07,754.00</b>	<b>-32,77,562.00</b>

**Note 23**

<b>Employee Benefit Expense</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Salary (Including Director's Remuneration 16.80 Lac Last Year NIL)	11,45,36,621.00	10,91,96,702.00
Wages	3,68,80,541.00	3,04,35,020.00
Bonus	8,64,295.00	8,10,726.00
Gratuity	54,79,835.00	15,40,969.00
Leave Encashment	3,65,519.00	25,63,960.00
Contribution to ESI	30,44,907.00	28,54,726.00
Contribution to EPF	49,95,602.00	47,59,484.00
Staff Welfare	29,54,772.00	61,63,374.23
<b>Total</b>	<b>16,91,22,092.00</b>	<b>15,83,24,961.23</b>

**Note 24**

<b>Finance Cost</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Interest Cost	35,53,29,056.24	44,41,25,679.26
Bank Charges	51,04,510.57	77,32,247.51
<b>Total</b>	<b>36,04,33,566.81</b>	<b>45,18,57,926.77</b>

**Note 25**

<b>Depreciation &amp; Amortisation Expense</b>	<b>For the Year ended as on 31.03.2014</b>	<b>For the Year ended as on 31.03.2013</b>
Depreciation on Tangible Assets	19,08,09,210.97	21,02,46,950.29
Amortisation of InTangible Assets	7,77,425.00	7,20,662.00
<b>Total</b>	<b>19,15,86,635.97</b>	<b>21,09,67,612.29</b>

Note 26

Other Expenses	For the Year ended as on 31.03.2014	For the Year ended as on 31.03.2013
Advertisement Expenses	14,53,040.00	57,54,310.00
Auditor Remuneration	3,37,080.00	3,34,932.00
Commission	45,00,477.30	40,98,232.00
Electricity	5,30,68,223.00	3,58,66,985.46
Entertainment & Music	5,44,914.00	20,87,395.75
Entainment Tax	1,58,900.00	1,90,500.00
Loss on Sale of Fixed Assets	6,28,373.19	-
Excise duty & Interest	-	1,93,330.00
Entry Tax	0.00	-73,28,116.00
Freight outward	2,39,03,244.00	1,87,89,077.00
Insurance Charges	13,27,282.00	15,77,641.67
Fees & Subscription (Including ROC Fee Rs. 325000/-)	2,52,11,306.00	1,18,68,845.61
Legal & Professional	27,06,145.00	13,84,857.00
Miscellaneous & General	9,68,251.88	20,09,467.77
Postage	3,14,863.00	4,76,026.00
Photocopy Expense	1,20,845.00	1,13,101.00
Pest Control	-	8,35,962.00
Printing & Stationery	21,51,359.50	27,59,999.23
Rates & taxes	63,16,544.00	44,17,526.72
Rebate, Discount & Written off	21,38,646.04	35,12,486.25
Rent & Hire Charges	8,90,149.00	8,41,149.00
Repair & Maintenance Building	18,53,394.00	6,70,020.37
Repair & Maintenance Plant & Machinery & Others	2,08,85,107.99	1,89,48,539.85
Sales Promotion	68,46,413.00	7,56,575.07
Sales Tax (Including Additional Demand)	36,94,157.14	-44,483.00
Service Tax	19,63,279.73	35,67,645.04
Share Listing Fees	2,01,135.00	3,42,345.00
Telephone	26,54,719.61	31,24,433.10
Travelling Expenses	23,95,641.08	6,12,553.00
Conveyance Expense	3,02,155.92	18,93,662.03
Vehicle Expense	17,89,424.00	10,81,489.00
Diesel Expense	-	31,000.00
Water Expense (Including Cess)	9,57,634.00	7,16,089.22
Glass ware food, Beverages & Paper	2,41,485.51	16,23,071.78
Guest Supplies Expense	67,86,772.33	63,84,688.75
Horticulture Expenses	30,768.00	17,090.00
Kitchen Equipment & Fuel Expense	10,16,305.00	1,71,14,889.00
Upholstery & Fabric Expenditure	22,91,508.01	19,69,006.25
Linen & Staff Uniform	-	-
Staff & Training Expenses	-	-
Flower and Decoration Expense	15,43,473.87	10,03,623.62
Cable TV Expenses	9,350.00	11,110.00
Laundry & Cleaning Expenses	55,20,827.83	42,28,734.47
Medical Expenses	8,58,416.00	3,29,211.00
<b>Total</b>	<b>18,85,81,610.93</b>	<b>15,41,65,002.01</b>

**MAGNUM VENTURES LIMITED**  
(Formerly Known as 'Magnum Papers Limited')  
685, Chitla Gate, Chawri Bazar, Delhi 110006

**SCHEDULE OF FIXED ASSETS AS PER SCHEDULE XIV OF COMPANIES ACT 1956**

Note 10, 11 & 25

PAPER - DIVISION (Duplex)												
S. No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block			Depreciation				Net Block		
			As at 01.04.2013	Addition	Sale/ Adjustment	AS at 31.03.2014	As at 01.04.2013	During the Period	W/Of	Total as on 31.03.2014	Wdv as on 31.03.2014	Wdv as on 31.03.2013
	<b>Tangible</b>											
1	Land	0%	28275584.80	0.00		28275584.80	0.00			0.00	28275584.80	28275584.80
2	Building	10%	56048336.55	0.00		56048336.55	40049132.40	15999200.00		41649052.40	14398284.15	15999204.15
3	Electrical Instalation	15.33%	110190635.00	391350.00		110581985.00	70673154.51	6083214.00		76756368.51	33825616.49	39517480.49
4	Generator	15.33%	24504952.31	0.00		24504952.31	19109572.51	827112.00		19936684.51	4568267.80	5395279.80
5	Vehicle	25.89%	16563092.87	1871573.00	6274249.00	12160416.87	13453651.27	1289159.51	6125701.53	8617109.25	3543307.62	3109441.67
6	Office Equipment	13.91%	1781390.46	97115.00		1878505.46	1140940.89	93491.00		1234431.89	644073.57	640449.50
7	Furniture & Fixture	18.10%	628954.73	0.00		628954.73	419185.00	37968.00		457153.00	171801.73	209769.73
8	Computer	40%	1735219.16	63525.00		1798744.16	1316844.98	185022.00		1501866.98	296877.18	418374.18
9	Fire Fighting Equip.	15.33%	808603.00	0.00		808603.00	532196.00	42373.00		574569.00	234034.00	276407.00
	<b>Straight Line Method</b>											
10	Plant & Machinery	5.28%	1535863559.67	10997185.00	39021169.00	1507839575.75	574078527.60	80921734.00	38986943.00	616013318.60	891826257.15	961785032.07
11	Drinking Plant	4.75%	101990419.60	0.00		101990419.60	34310100.80	484545.00		39154645.80	62835773.80	67690318.80
12	Turbine	4.75%	173673652.87	0.00		173673652.87	64524864.40	8249499.00		72774163.40	10089489.47	108148988.47
	<b>Sub Total</b>		<b>2052064400.82</b>	<b>13420748.08</b>	<b>45295418.00</b>	<b>2020451150.90</b>	<b>819607970.36</b>	<b>104174037.51</b>	<b>45112644.53</b>	<b>878669363.34</b>	<b>1141520367.56</b>	<b>123245630.46</b>
	<b>Intangible</b>											
11	Computer Software	5 Years	261420.00	0.00		261420.00	177009.00	52284.00		229293.00	32127.00	84411.00
			261420.00	0.00	0.00	261420.00	177009.00	52284.00	0.00	229293.00	32127.00	84411.00
	<b>Total</b>		<b>2052325820.82</b>	<b>13420748.08</b>	<b>45295418.00</b>	<b>2020451150.90</b>	<b>819784979.36</b>	<b>104226321.51</b>	<b>45112644.53</b>	<b>878898656.34</b>	<b>1141552494.56</b>	<b>1232540841.46</b>
<b>PAPER - DIVISION (Newsprint)</b>												
S. No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block			Depreciation				Net Block		
			As at 01.04.2013	Addition	Sale/ Adjustment	AS at 31.03.2014	As at 01.04.2013	During the Period	W/Of	Total as on 31.03.2014	Wdv as on 31.03.2014	Wdv as on 31.03.2013
1	Computer	40%	46615.00	70478.75	0.00	117093.75	16511.00	26667.00		43178.00	73915.75	30104.00
2	Office Equipment	13.91%	154274.00	4960.00	0.00	159234.00	19100.00	19245.00		38345.00	120889.00	135174.00
3	Electrical Installations	15.33%	38211.00	128082.00	0.00	166293.00	3900.00	19048.00		22948.00	143345.00	34311.00
4	Turbine	4.75%	10290.30	10290.00	0.00	20580.30	27.00	871.00		898.00	19682.30	10263.30
	<b>Straight Line Method</b>											
5	Plant & Machinery	5.28%	977313.00	6517371.32	0.00	7494684.32	42031.00	256100.00		298131.00	7196553.32	935282.00
	<b>Total</b>		<b>1226703.30</b>	<b>6731182.07</b>	<b>0.00</b>	<b>7957885.37</b>	<b>81569.00</b>	<b>321931.00</b>	<b>0.00</b>	<b>403500.00</b>	<b>7554385.37</b>	<b>1145134.30</b>
<b>HOTEL-DIVISION</b>												
S.No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block			Depreciation				Net Block		
			As at 01.04.2013	Addition	Sale/ Adjustment	AS at 31.03.2014	As at 01.04.2013	During the Period	W/Of	Total as on 31.03.2014	Wdv as on 31.03.2014	Wdv as on 31.03.2013
1	<b>Tangible Asset</b>											
	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	52606586.00	14337230.00	0.00	66943816.00	812640863.28	826978093.28
3	Computer	16.21	7528989.00	0.00	0.00	7528989.00	4959178.00	1220449.00	0.00	6179627.00	1349362.00	2569811.00
4	Furniture & Fixture	9.5	553794013.45	0.00	0.00	553794013.45	18584829.00	52610431.00	0.00	238495260.00	315298753.45	367909184.45
5	Plant & Machinery	4.75	312363060.71	0.00	0.00	312363060.71	57283465.00	14837245.00	0.00	72120710.00	24024350.71	255079595.71
6	Car	9.5	6769223.00	0.00	1601617.00	5167606.00	2351784.43	640575.46	708243.81	2284116.08	2883489.92	4417438.57
	<b>Sub-Total</b>		<b>1922697939.70</b>	<b>0.00</b>	<b>1601617.00</b>	<b>1921096322.70</b>	<b>303085842.43</b>	<b>83645930.46</b>	<b>708243.81</b>	<b>386023529.08</b>	<b>1535072793.62</b>	<b>1619612097.27</b>
	<b>Intangible Asset</b>											
7	Computer Software	5 Years	1900308.00	0.00	0.00	1900308.00	1418958.60	380062.00	0.00	1799020.60	101287.40	481349.40
			1900308.00	0.00	0.00	1900308.00	1418958.60	380062.00	0.00	1799020.60	101287.40	481349.40
	<b>Total</b>		<b>1924598247.70</b>	<b>0.00</b>	<b>1601617.00</b>	<b>1922996630.70</b>	<b>304504801.03</b>	<b>84025992.46</b>	<b>708243.81</b>	<b>387822549.68</b>	<b>1535174081.02</b>	<b>1620093446.67</b>
<b>HOTEL-CIS</b>												
S.No.	Particular	ROD/ Yrs. Of Amortisation	Gross Block			Depreciation				Net Block		
			As at 01.04.2013	Addition	Sale/ Adjustment	AS at 31.03.2014	As at 01.04.2013	During the Period	W/Of	Total as on 31.03.2014	Wdv as on 31.03.2014	Wdv as on 31.03.2013
	<b>Tangible</b>											
	<b>Straight Line Method</b>											
1	Plant & Machinery	0.0475	15268294.07	1978963.00	0.00	17247257.07	2151214.29	736715.00	0.00	2887929.29	14359327.78	13117079.78
2	Furniture & Fixture	0.095	2292732.02	150000.00	0.00	2442732.02	743636.00	219645.00	0.00	963281.00	1479451.02	1549096.02
3	Computer	0.1621	1823938.38	0.00	0.00	1823938.38	847617.00	295660.00	0.00	1143277.00	680661.38	976321.38
4	Office Equipment	0.0475	560469.75	702942.64	0.00	1263412.39	67860.00	47971.00	0.00	115831.00	1147581.39	492609.75
5	Generator	0.0475	6861000.00	0.00	0.00	6861000.00	988408.44	325898.00	0.00	1314306.44	5546693.56	5872591.56
6	Car	0.095	8495829.00	776571.00	0.00	9272400.00	1614053.00	807508.00	0.00	2421561.00	6850839.00	6881776.00
8	Building	0.0163	11831793.22	3348752.65	0.00	15180545.87	4884.00	233915.00	0.00	282756.00	14897789.87	11782952.22
	<b>Sub-Total</b>		<b>47134056.44</b>	<b>6957229.29</b>	<b>0.00</b>	<b>54091285.73</b>	<b>6461629.73</b>	<b>2667312.00</b>	<b>0.00</b>	<b>9128941.73</b>	<b>44962344.00</b>	<b>40672426.71</b>
	<b>Intangible</b>											
7	Computer Software	5 Years	15,70,185.00	405551.00	0.00	1975736.00	496314.00	345079.00	0.00	841393.00	1134343.00	1073871.00
	<b>Sub-Total</b>		<b>1570185.00</b>	<b>405551.00</b>	<b>0.00</b>	<b>1975736.00</b>	<b>496314.00</b>	<b>345079.00</b>	<b>0.00</b>	<b>841393.00</b>	<b>1134343.00</b>	<b>1073871.00</b>
	<b>Total</b>		<b>48704241.44</b>	<b>7362780.29</b>	<b>0.00</b>	<b>56067021.73</b>	<b>6957943.73</b>	<b>3012391.00</b>	<b>0.00</b>	<b>9970334.73</b>	<b>46096687.00</b>	<b>41746297.71</b>
	<b>GRAND TOTAL (Hotel+Paper)</b>		<b>4026855013.26</b>	<b>27514710.44</b>	<b>46897035.00</b>	<b>4007472688.70</b>	<b>1131329293.12</b>	<b>191586635.97</b>	<b>45820888.34</b>	<b>1277095040.75</b>	<b>2730377647.95</b>	<b>2895525720.14</b>
	Previous year		3993423351	34123176.22	691514.2	4026855013	1324009277	210967612.3	403647596.6	1131329293	2895525720.14	2669414074
	*Note: Softwares are amortised in 5 years											

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**NOTE- 27**

**(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 polices not specifically referred to otherwise are in accordance with the generally accepted accounting principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- b) The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets & liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent & reasonable. Future results could differ from these estimates.
- c) The Company 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 scraped or otherwise disposed off, the cost and related depreciation are written off from the books of accounts and resultant profit or loss, if any is reflected in profit and loss account. The Company capitalized Inward Freight of Capital Asset at the end of month.

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

- 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.

**3. FOREIGN EXCHANGE TRANSACTIONS**

- a) All the Monetary assets and liabilities in foreign currencies are translated in Indian rupees at the exchange rates prevailing at the Balance Sheet date as notified. The resultant gain / loss are accounted for in the Profit & Loss account.
- b) The outstanding foreign exchange transactions are stated at the prevailing exchange rate as on the date of balance sheet.
- c) Items of Income and expenditure relating to foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions.

**4. INVENTORY VALUATION**

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

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**5. REVENUE RECOGNITION**

a) **Sales**

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

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

b) **Interest Income**

Interest income is recognized as it accrues on a time proportion basis taking in to account the amount of investment and rate applicable.

c) **Misc. Income**

It includes sale of sludge, discarded stores and scrap and revenue is recognized on the basis of dispatches from factory gates and inclusive of Excise Duty.

**6. MISCELLANEOUS EXPENDITURE**

The Misc Expenses are written off by the company in 5 installment beginning from the year in which it is incurred.

**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 Shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding the year is adjusted for events of bonus issue and share split.

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

**11. PROVISION AND CONTIGENCIES**

A Provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (including retirement benefits) are not discounted to its



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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**

**a. Defined Contribution Plan**

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

**b. Defined Benefit Plan**

From this year the company started recognizing Employees Benefit as required in accordance with Accounting Standard 15 'Employee Benefits' on the basis of Actuarial Valuation report for the year ended 31-03-2014 as annexed to Notes to account.

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

**c. Other long-term benefits**

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

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

**d. Salary and other short term benefits**

The salary and other short term benefit i.e. Bonus etc is being paid to the employees when it becomes due.

Actuarial assumptions in respect of provisions for gratuity and leave encashment at balance sheet date are as follows:

**Gratuity**

Particular	As at 31-03-14	As at 31-03-13
<b>a) Economic Assumption</b>		
Discounted Rate	8.75%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	6.25%	6.25%
<b>b) Demographic Assumptions</b>		
Normal Retirement Age *	58 + 2 years Extension	
Mortality Table	Indian Assured Lives (2006-08)	
Withdrawal Rate (in %)	Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 44 Years 1.0	

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

**Leave Encashment**

Particular	As at 31-03-14	As at 31-03-13
<b>a) Economic Assumption</b>		
Discounted Rate	8.75%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	6.25%	6.25%
<b>b) Demographic Assumptions</b>		
Normal Retirement Age *	58 + 2 years Extension	

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

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

**13. BORROWING COST**

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

**(B) OTHER NOTES**

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

**(a) CUSTOM AND CENTRAL EXCISE**

- i) The company had received a Show Cause Notice for claim of CENVAT CREDIT for the year 2006 and demand of Rs. 8,28,510 was raised. However, the matter was decided against the department by Honb'le CESTAT. Subsequent to which the Department filed a Writ Petition before the Hon'ble High Court Allahabad which is still pending.
- ii) The Central Excise Department had issued Show Cause Notice ("SCN") 12/ADC/2007 for excess consumption of waste paper during April 2005 to September 2005 and demand of Rs. 20,97,503 was raised on the company. The company has filed an appeal against the SCN which is pending before the Additional Commissioner of Central Excise Ghaziabad till date.
- iii) The Central Excise Department had issued Show Cause Notice for Non-payment of excise duty on waste, subsequently the company filed an appeal before the Additional Commissioner of Central Excise which was dismissed and following demands were raised upon the company
  - Rs. 26,135 (Plus Interest and Penalty) for the period September 2010 to April 2011.
  - Rs. 1, 73,115 (Plus Interest and Penalty) for the period February 2009 to August 2010.
  - Rs. 1,58,816 (Plus Interest and Penalty) for the period F/Y 2004-05 to F/Y 2007-08.

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

- (b) Sale Tax Department issued notice on July 5, 2013 and demand of Rs. 91,437 was raised as Central Sale Tax for the financial year 2010-11. Company has filed an appeal against the order before Additional Commissioner Appeal which is pending for adjudication.

**(C) EPCG LICENSE:-** Under the EPCG scheme of the Government of India, the company imported capital goods for its Hotel Project during the year 2008-09 & 2009-10 at import duty rates less than the regular import duty rates and has saved import duty of equivalent INR Rs.6.38 Crores 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.

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.

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.

2. Fixed assets installed and put to use have been certified by the management and relied upon by the auditors, being a technical matter. The Company capitalized Inward Freight of Capital Asset at the end of month.

**3. REMUNERATION PAID TO AUDITORS:**

Particular	Current Year	Last Year
As Statutory Auditors	2,45,000/-	Fee 243089/- Service Tax

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	Service Tax 30282/-	30045/-
Tax Audit Fees	55,000/- Service Tax 6798/-	Fee 55000/- Service Tax 6798/-
In other matter	NIL	NIL

4. In the opinion of the management, current assets, loans and advances are of the value stated if realised in the ordinary course of business except otherwise stated. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonable.
5. During the year company has suffered loss & hence no provision for taxation has been made for the year ended 31.03.2014 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
Mr. Pradeep Kumar Jain	720000.00	-
Mr. Parmod Jain	480000.00	-
Mr. Abhey Jain	480000.00	-

**8. INCREASE IN AUTHORISED CAPITAL**

The Authorized Share Capital of the Company has been increased from Rs. 64,00,00,000 to 69,00,00,000 divided into 3,90,00,000 equity shares of Rs. 10/- each and 30,00,000 Preference Share of Rs. 100/- each.

**9. ALLOTMENT OF ZERO COUPON NON-CONVERTIBLE DEBENTURES**

During the year the Board of Directors of the Company had allotted 341200 Non-Convertible, Zero Coupon Non-Cumulative Redeemable Debentures of face value of Rs. 1000/- each at par payable on 31-03-2026 as per the CDR Terms and Conditions.

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)

**PAPER DIVISION**

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

S. No.	Particular	Current Year Qty. in MT	Last Year Qty in MT.
(a)	Licensed Capacity	85000	85000
(b)	Installed Capacity	NA	N.A
(c)	Production	68723	59901

- 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	461303	452670	9979580	9731648
(b)	Closing Stock	456808	461303	9900676	9979580
(c)	Sale	68727175	59892673	1788441085	1457339970

(Sale Include Self Consumption 706448 Kg. (Previous Year 632070 Kg.)

**HOTEL DIVISION**

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year

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(a)	Opening Stock		NA	6094946	6083051
(b)	Closing Stock		NA	5822896	6094946
(c)	Sale		NA	389849250	472757081

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	78051140	68560960	745348232	660169629
(b)	Stores & Chemical	-	-	309683807	278356583
(c)	Power & Fuel	-	-	362804330	319721338

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	6809943	1835374	0.91	0.28
Indigenous Raw Material	738538289	658334255	99.09	99.72
Imported Stores & Chemical	5855977	3710628	1.89	1.33
Indigenous Stores & Chemical	303827830	274645955	98.11	98.67

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	6007456	1621889
Chemical & Consumable Spare Parts	5306977	3457373

**HOTEL DIVISION**

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

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	1720497/- (USD 28172) 244058/- (EURO 2771)	521158/- (USD 9607) -

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

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Particular	Current Year		Last Year	
	Rs.	USD	Rs.	USD
Paper Division	Nil	Nil	Nil	Nil
Hotel Division	76264820	1293793	93403588	1723607

**Note:** Last year the earning in Foreign Currency mistakenly disclosed at 91808463/- (USD 1690027) now rectified.

**11. RELATED PARTY TRANSACTION DISCLOSURE:**

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

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

Disclosure of transactions with related parties as required by Accounting Standard 18

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2014	168506582.50	40767853.71
2	Rent (To Director and Brother of Director)	20000.00	20000.00
3	<b>Remuneration of Directors</b>		
	Mr. Pradeep Kumar Jain	720000.00	-
	Mr. Parmod Jain	480000.00	-
	Mr. Abhey Jain	480000.00	-
4	<b>Salary to Relative of Key Management Personnel</b>		
	Mr. Vinod Jain	-	360000
	Mr. Rishabh Jain	-	360000
	Mr. Ritesh Jain	-	360000
	Mrs. Shashi Jain	-	240000

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

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

1	Key Management personnel	Mr. Pardeep Kumar Jain Mr. Praveen Kumar Jain Mr. Parmod Kumar Jain Mr. Abhey Jain Mr. Kishan Jain Mr. RakeshGarg Mr. SubhashOswal Mr. Naveen Jain Mr. Bikash Narayan Mishra Mr. S. P. Chaturvedi
2	Relatives of key management personnel	<b>Father of Director</b> Mr. Salek Chand Jain <b>Brother of Director</b> Mr. Vinod Kumar Jain <b>Wife of Director</b> Mrs. Veena Jain Mrs. Rita Jain Mrs. Asha Jain

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		Mrs. Monika Jain <b>Son of Director</b> Mr. Rishabh Jain Mr. Ritesh Jain Mr. Parv Jain <b>Daughter of Directors</b> Mrs. Priyanka Jain Ms. Shilpi Jain <b>HUF of Father of Director</b> M/S Salek Chand Jain (HUF) <b>HUF of Brother of Director</b> M/S Vinod Jain (HUF) <b>HUF of Directors</b> M/S Praveen Kumar Jain (HUF) M/S Pramod Kumar Jain (HUF) M/S Pradeep Kumar Jain (HUF) M/S Abhay Jain (HUF) <b>Sister of Director</b> Mrs. Shashi Jain
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**12. SUNDRY CREDITORS:**

As per the best available information with the company there is no amount outstanding which is payable to small scale industrial undertaking.

**13. DEFERRED TAX LIABILITY:**

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

Particular	As at 31.03.2014 (Rs)	As at 31.03.2013 (Rs)
<b>DEFERRED TAX ASSETS :-</b>		
Provision for gratuity	10774869.00	6346633.00
Leave Encashment	4340189.00	6802441.00
Unabsorbed Depreciation	1247550835.00	1046639467.00
Unabsorbed Losses	572096050.39	486462596.00
Interest Disallowed	126983645.47	154035081.00
(A)	1961745588.86	1700286218.00
<b>DEFERRED TAX LIABILITY :-</b>		
Excess of net block as per Companies act over Income tax act (B)	1079288945.14	1030688640.00
(A)-(B)	882456644.00	669597578.00
Net Deferred tax Asset as on 31.03.2014	272679103.00	206905652.00
Deferred tax Assets provided as on 31.3.2013	206905652.00	206277304.00
Deferred tax liabilities (Asset) attributable to Financial Year 2013-14	65773451.00	(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. IMPAIRMENT OF ASSETS**

In accordance with Accounting Standard 28 'Impairment of Assets' issued by Institute of Chartered Accountants of India and made applicable from 1<sup>st</sup> day of April 2004, the company has assessed the potential generation of economic benefits from its business units as on the balance sheet date and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of

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business: there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.

**15. SEGMENT REPORTING**

The 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**

<b>Particulars</b>	<b>Paper Division</b>	<b>Hotel Division</b>	<b>Total</b>
Segment wise Revenue			
External Revenue 2014	1788441085.00	389849249.78	2178290334.78
2013	1457339970.00	472757081.00	1930097051.00
Segment wise Results <i>before extra-ordinary Items</i>			
Segment Result 2014	(-)72633531.46	(-)179500015.18	(-)252133606.64
2013	(-)274706187.00	(-)132290782.00	(-)406996969.00
Segment wise Results <i>after extra-ordinary Items</i>			
Segment Result 2014	(-)72633531.46	(-)179500015.18	(-)252133606.64
2013	128690029.00	(-)132290782.00	(-)3600753.00
Segment wise Assets			
2014	3484006635.00	1004739577.86	4488746212.86
2013	3136148312.00	1006401117.00	4142549429.00
Segment wise Liabilities <i>excluding Bank Borrowings and Long term Unsecured Loan</i>			
2014	207085826.67	104789523.52	311875350.19
2013	207922878.00	124232997.00	332155875.00
Fixed Assets Addition			
2014	20151930.15	7362780.29	27514710.44
2013	19338660.00	14784516.00	34123176.00
Depreciation 2014	104548222.51	87038383.46	191586535.97
2013	123998338.00	86969274.00	210967612.00

**Geographical Segment**

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

**16. 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).

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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.
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**Hotel Division**

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

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

**PLEDGING OF SHARES**

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.

**17. CORPORATE DEBT RESTRUCTURING**

During the Year Company had requested for second rework proposal to CDR, and approved by CDR EG at its meeting on 24-12-2013. The package is under process of implementation by the individual bankers. The Key Features of the re-work packages is as under:

- a) Cut Off Date : 01<sup>st</sup> April 2013
- b) Reduction in Interest Rate on Term Loans for Paper & Hotel Units, Additional WCTL and Working Capital Borrowings to 11.50% (base rate of MI + 1.25%).
- c) Reduction in Interest Rate on WCTL, FITL to 10.25% (base rate of MI).
- d) Re-payment of principal for Paper Term Loans Rs. 36.58 Cr, PCC – Rs. 24.89 Cr, FITL – Rs. 21.40 Cr, WCTL – Rs. 8.81 Cr to be made in 40 structured quarterly instalments in 10 years commencing from 30.06.13 to 31.03.23.
- e) Re-payment of principal for Hotel Loans – Rs. 126.75 Cr to be made in 52 structured quarterly instalments in 13 years commencing from 30.06.13 to 31.03.26.
- f) Re-payment of Additional WCTL – Rs. 48.14 Cr to be made in 36 structured quarterly instalments in 13 years commencing from 30.06.14 to 31.03.23.
- g) Principal Instalment Repayments during the year are proposed to be serviced 10% in Qtr I, 15% in Qtr II, 40% in Qtr III and 35% in Qtr IV.
- h) Funding of interest for April – June 2013 on Term Loan and WC Limits of Rs. 8.66 Cr as FITL and to be repaid in 5 years. Interest on FITL.
- i) Working Capital Limits of Rs. 46 Cr be Continue.
- j) 100% pledge of Promoter's Shareholding of the Company.
- k) The Company to sell surplus land of Rs. 40 Cr approx and its sale proceeds estimated to be realized Rs. 12 Cr in FY 13-14; Rs. 15 Cr in FY 14-15; Rs. 7 Cr in FY 15-16 and Rs. 6 Cr in FY 16-17.
- l) Promoters to bring in Rs. 9.93 Cr i.e. 25% of Sacrifice of Rs. 39.73 Cr, before implementation of package and Rs. 5 Cr p.a. from FY 2014-15 till all the loans are repaid in full.
- m) Bank's Sacrifice: Total Bank's Sacrifice is Rs. 39.73 Cr out of which; Company will issue Zero Coupon Non Convertible Debentures of Rs. 34.12 Cr redeemable on 31.03.2026. These NCDs shall be secured by first pari-passu charge on fixed assets of the company and charge shall be created accordingly.

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 2014.



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19. The Hotel Division of the Company is having exemption from payment of Luxury Tax for a period of 5 years from 05-11-2009
20. Previous year figure have been regrouped and reclassified wherever considered necessary to make them comparable to those of the current year.
21. All other information required to be given is either Nil or Not applicable.
22. Figures in {brackets} pertain to the previous year.

Note 1 to 27 form an integral part of the Balance Sheet as at 31<sup>st</sup> March -2014 and has been authenticated as such.

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

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

Sd/-  
Vinay Aggarwal  
(Partner) Managing Director  
Membership No.082045

Sd/-  
(Pardeep Kumar Jain)  
(Managing Director)  
DIN (00024879)

Sd/-  
(Abhay Kumar Jain)  
(Director)  
DIN (01816385)

Place: New Delhi.  
Date: 30.05.2014

Sd/-  
(Sanjay Sharma)  
(CFO)

**Form No. MGT-11**

**Proxy form**

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

CIN: L21093DL1980PLC010492

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

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

Name of the member(s): Registered address: E-mail Id: Folio No/ DP ID and Client Id:
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I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

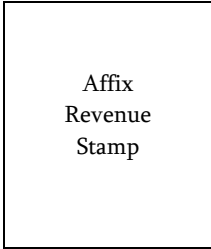
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual general meeting of the company, to be held on the 10<sup>th</sup> day of September, 2014 at 11:00 a.m. at Galib Institute, AIWAN-E-GALIB Marg, New Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Description	For	Against
1.	Consideration and adoption of Annual audited accounts and Reports for the financial year ended 31st March, 2014		
2.	Re-election of Mr. Parmod Kumar Jain as Director of the Company, who retires by rotation.		
3.	Appointment of M/s. Aggarwal & Rampal, as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2015.		
4.	To fix the limits of borrowings under Section 180(1)(c)		
5.	To empower the Board to mortgage, hypothecate, pledge, charge or otherwise encumber the properties/ assets of the Company under Section 180(1)(a)		
6.	Appointment of Mr. Shiv Pravesh Chaturvedi as Director of Company		
7.	To ratify the remuneration of Cost Auditors for the financial year 2014-15		
8.	To fix the tenure of Mr. Subash Oswal, Independent Director		
9.	To fix the tenure of Mr. Shri Krishan Jain, Independent Director		
10.	To fix the tenure of Mr. Rakesh Garg, Independent Director		
11.	To fix the tenure of Mr. Naveen Jain, Independent Director		

Signed this..... day of ..... 20....

Signature of shareholder

Signature of Proxy holder(s)



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