

**31<sup>st</sup> ANNUAL REPORT  
2010-2011**

**MAGNUM VENTURES LIMITED**

SAHIBABAD GHAZIABAD (U.P.)

# MAGNUM VENTURES LIMITED

## 31<sup>th</sup> ANNUAL REPORT – 2011

### BOARD OF DIRECTORS

<b>Praveen Kumar Jain</b>	<i>Chairman &amp; Managing Director</i>
<b>Pradeep Kumar Jain</b>	<i>Managing Director</i>
<b>Parmod Kumar Jain</b>	<i>Whole-time Director</i>
<b>Abhey Jain</b>	<i>Whole-time 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>Subash Oswal</b>	<i>Director</i>
<b>Kamal Prasad</b>	<i>Director</i>
<b>Ravi Shanker Tiwari</b>	<i>Company Secretary</i>

### STATUTORY AUDITORS

#### **Sunil K. Mittal & Co.**

*Chartered Accountants*

8 - D, Hansalya, 15, Barakhamba Road,  
New Delhi-110001

### REGISTERED OFFICE

“Magnum House”, 3/4326, Ansari Road,  
Daryaganj, New Delhi - 110 002

### WORKS

18/41, Site-IV, Industrial Area, Sahibabad,  
Ghaziabad, Uttar Pradesh - 201 010

64/3, 4, 5 & 6 Site-IV, Industrial Area, Sahibabad,  
Ghaziabad, Uttar Pradesh - 201 010

### REGISTRAR AND TRANSFER AGENT

#### **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 : [www.masserv.com](http://www.masserv.com)

E-Mail : [info@masserv.com](mailto:info@masserv.com)

Contact Person : Mr N K Rastogi

### CONTACT DETAILS

Phone Nos : 91-0120-4199200 (100 lines)

Fax : 91-0120-4199234

E-Mail : [magnumventures@gmail.com](mailto:magnumventures@gmail.com)

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# **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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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 31st Annual General Meeting.

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

### **Hotel Unit:**

Hotel Unit has earned revenue of Rs 4521 Lacs during the fiscal year 2010-11 against Rs. 2321 Lacs during the fiscal year 2009-10. Growth of Gross Turnover of 95%. With revenue of Rs. 4521 Lacs Hotel Unit made operating profit of Rs. 589 Lacs during the current year.

During the year Hotel's Tatva Restaurant was awarded as City's Finest Vegetarian Restaurant in Crystal 2010 Peoples Choice Award by HT City. Our Hotel has huge banqueting venues for corporate conferences, social functions with accommodation up to 3000 guests and all other facilities like Business Centre, Swimming Pool, Bar, Saloon and Health Club etc. as per five star standards. Bollywood has also accepted our company's Hotel for various film shootings.

### **Paper Unit:**

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

The production of paper during April, 2010 – March, 2011 has been 64173 MT. The company earned gross revenue of Rs 13277 Lacs from its Paper unit during the fiscal year 2010-11 against Rs. 11392 Lacs during the fiscal year 2009-10. Your company's paper unit has posted an operating profit of Rs. 893 Lacs as on 31<sup>st</sup> March 2011.

Depreciation of Rs. 2402 Lacs and Interest accrued Rs. 3193 Lacs during the year forced the company to suffer loss of Rs. 2844 Lacs. The main reason seen for not recovery of Depreciation and Interest in total are as under:

1. High Inflation rate faced by Indian economy.
2. Coal Price, Petroleum Products, Transportation Cost on Peak Levels.
3. Rate of Interest increased multiple times by bankers during the year.
4. Failure of Common Wealth Games resulting mismatch of room inventory in NCR Delhi.
5. High Competition and low operating Margin.

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

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

With best wishes,

Sd/-

**Salek Chand Jain**

Founder Chairman

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## NOTICE

**Notice** is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, 27<sup>th</sup> September, 2011 at 01:00 P.M. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Subhash Oswal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Parmod Kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### Special Business:

5. 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 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, Mr Pradeep Kumar Jain be and is hereby re-appointed as Managing Director of the Company for a tenure of 5 years w.e.f 4<sup>th</sup> February, 2011 on the following terms and conditions:

Sl. No	Remuneration	Details
I.	Basic Salary	Rs. 25000/- Per month
II.	Commission	Nil
III.	Perquisites	The perquisites are allowed in addition to salary and commission as per details given below, however, such perks are restricted to an amount equal to Annual salary during each year:-
a)	Housing	Free residential accommodation or House Rent Allowance equal to 40 percent of the basic salary. Free furnishing is provided by the Company along with other amenities.
b)	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year or five months' salary over a period of five years.
c)	Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family is reimbursed once in a two year in accordance with the rules specified by the Company.
d)	Club Fees	Fees of clubs subject to a maximum of two clubs. This does not include admission and life membership fees,
e)	Personal Accident Insurance	Premium not to exceeds Rs.10000 per annum.
f)	Car	Free use of Company's car for official work along with driver at Company's cost and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
g)	Provident Fund & Other Funds	Contribution to Provident Fund & Family Pension Fund, superannuation fund or annuity fund subject to the rules framed by the Company in this respect.

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h)	Gratuity	Gratuity payable not exceeding half a month's salary for each completed year of service subject to the ceiling prescribed by the Central Government from time to time.
i)	Telephone	Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to him.
j)	Earned Privilege Leave	Earned Privilege Leave encashment subject to the condition that the leave accumulated but not availed be allowed to encash for 15 days salary for every year completed services at the end of the tenure.

**Resolved further that** in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

**Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

**Resolved further that** the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

**Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid 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 Kamal Prasad, who was appointed as an Additional Director and who is also a Nominee Director on the Board of the Company, be and is hereby appointed as an ordinary Director of the Company whose office shall not 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 a **Special Resolution:**

“**Resolved that** in continuation of the member's resolution passed in the Annual General Meeting held on 17th September, 2010 and subject to the provisions of the Memorandum and Articles of Association of the Company, section 81 of the Companies Act, 1956, guidelines issued by the Securities & Exchange Board of India (SEBI), the Foreign Exchange Management Act, 1999, and other applicable provisions, if any, and subject to such consents and approvals as may be required and subject further to such conditions and modifications as may be prescribed in granting such consents, approvals and subject to such conditions as may be imposed by the SEBI which may be agreed to by the Board of Directors of the Company at its sole discretion (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, equity shares, debentures, bonds, instrument which is fully or partly convertible into Equity Shares, warrants whether in Indian Rupee or any foreign currency (hereinafter collectively referred to as “Securities”), secured or unsecured, or any other instruments, to any person, whether or not the members of the Company, including the Promoters of the Company, their Friends, Relatives & Associates, Business Associates, employees (including directors & workers) of the Company and its group companies, Corporate Bodies, Mutual Funds, Financial Institutions, Banks, Foreign Institutional Investors, Non Resident Indians, Foreign Nationals, Insurance Companies, Pension Funds, Portfolio Managers, etc., by way of right issue, public issue, Global Depository Receipts (GDR), American Depository Receipts (ADR) reservation on competitive basis, reservation on firm allotment basis, private placement, preferential allotment basis or a combination thereof at such price or prices so however that the total amount raised through the aforesaid Securities should not exceed Rs. Two hundred Crores subject to however, the total aggregate of such securities placed in the International Market will not exceed Rs. One hundred Crores when converted into Indian Rupees at the current prevailing market conversion rate of US Dollars or any foreign currency to Indian Rupee and on such terms and conditions or in such manner as the Board may in its absolute discretion think fit, in consultation with the Lead Managers, Advisors and/ or such other persons and on such terms and conditions including the ratio in which such Securities may be offered, issued and allotted to the existing shareholders, the number of Securities to be issued,

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face value of the Securities, rate of interest, premium, number of equity shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/ or warrants and/ or any other financial instruments, period of conversion, fixing of record date or book closure and other related or incidental matters.

**Resolved further that** in case of any Equity Linked Securities Issue/ Offer, the Board be authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offer, all such shares would rank pari passu inter se, with the then existing Equity Shares of the Company in all respects except dividend, if any, which shall be paid proportionately i.e. from the date of its allotment.

**Resolved further that** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s) including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of securities / exercise of warrants/ redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/ or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

**Resolved further that** the Board of Directors or Committee thereof be and is hereby authorised to fix differential pricing on different mode of issue.

**Resolved further that** for the purpose of giving effect to the above resolution the Board and the committee thereof be and is hereby authorized on behalf of the Company to do all or any of such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose including but without limitation to enter into underwriting, marketing, depository, custodian and any other arrangements or agreements and to remunerate all other agencies by way of commission, Brokerage, fees or the like and also to seek the listing of such securities in any one or more of the International/Indian Stock Exchanges including the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange Association Ltd (NSE) with power to act on behalf of the Company and to settle such questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.

**Resolved further that** in case of any over subscription of the issue, the Board, be and is hereby authorized to retain such of the amount and issue and allot Securities, as may be permitted in accordance with applicable laws, rules, and provisions in consultation with the Stock Exchanges.

**Resolved further that** the Board be entitled to vary, modify alter any of the foregoing terms and conditions to conform with those as may be approved by SEBI, RBI or any other appropriate authorities and department.

**Resolved further that** for the purpose of giving effect to the above the Board be and is hereby authorized to do all things necessary for the purpose of giving effects to the issue and allotment of said Securities / Equity Shares and to take such action or give such directions as may be necessary or desirable and to accept any modifications in the proposal and terms of the issue including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered which may result in a change in the total amount of the issue as may be considered necessary by the Board or as may be prescribed in granting approvals to the issue and which may be acceptable to the Board and to decide the Basis of Allotment and to settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities or on conversion of said Securities into Shares or on issue of Shares against such Securities.

**Resolved further that** the Board be and is hereby authorized to take all necessary actions to give effect to this resolution and to delegate to a Committee of Directors or any one of the Director, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by Law.”

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

Sd/-

**PRADEEP KUMAR JAIN**  
*Managing Director*

Date : 11th August, 2011  
Place : New Delhi

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## **Notes:**

- A. Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> September, 2011 to Tuesday, 27<sup>th</sup> September, 2011 (both days inclusive) for the purpose of the AGM.
- F. Address Change Intimation:** Members are requested to notify any change in their address/ mandate/ bank details immediately to the Share Transfer Agent of the Company- **M/s Mass Services Limited.**
- G. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- H. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 7 is enclosed herewith.
- I.** The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed is given in the Corporate Governance Report attached with the Director's Report.

## **Explanatory statement pursuant to section 173(2) of the Companies Act, 1956**

### **Item No. 5**

Mr Pradeep Kumar Jain was the Managing Director of the company. His tenure as Managing Director ended on 3<sup>rd</sup> February, 2011. Due to increase in the activities of the company, the board in its meeting held on 28<sup>th</sup> January, 2011 re-appointed Mr Pradeep Kumar Jain as Managing Director w.e.f. 4<sup>th</sup> February, 2011.

Approval of the Members of the Company is required by way of an Ordinary Resolution for appointment of Mr Pradeep Kumar Jain as Managing Director and further submitted that Mr Pradeep Kumar Jain has agreed to provide his valuable services to the Company on the terms and conditions as mentioned in the resolution.

The aforesaid explanatory statement for item no. 5 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Pradeep Kumar Jain as Managing Director under section 302 of the Companies Act 1956.

### **Your directors recommend the adoption of resolution in the larger interest of the Company.**

None of the directors of the Company except Mr Pradeep Kumar Jain, Mr Parmod Kumar Jain, Mr Praveen Kumar Jain and Mr Abhey Jain are concerned or interested in the proposed resolution.

### **Item No. 6**

Mr Kamal Prasad was appointed as Additional Director on the Board of Directors of the Company. Mr Kamal Prasad was also a Nominee Director of Punjab National Bank Ltd. In terms of the provisions of Companies Act, 1956, his tenure ends in the ensuing Annual General Meeting. Therefore, the Board is proposing to appoint him as an ordinary director in the ensuing AGM. Accordingly, the resolution is placed before the members for their consideration and approval. He will remain as Nominee Director in the board of the company.

The Board recommends the proposed resolution for adoption in the larger interest of the Company.

Mr Kamal Prasad is interested and concerned in the proposed resolution.

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### **Item No. 7**

The Company had passed in the last Annual General Meeting held on 17<sup>th</sup> September, 2010, a Special Resolution for further issue of securities. Further, the company has also initiated the process of issue of Equity shares on Rights basis, subject to the approval of the SEBI, Stock Exchange and other authorities. In view of the fact that the earlier resolution would be more than one year old, your Board propose to obtain fresh approval from the shareholders in this regard.

Your directors recommend the resolution for adoption by members of the Company.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolution except to the extent of shares held by them or their relatives

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

Sd/-

**PRADEEP KUMAR JAIN**

*Managing Director*

Date : 11th August, 2011

Place : New Delhi



# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## DIRECTORS' REPORT

### Dear Members

Your Directors have pleasure in presenting here the 31<sup>st</sup> Annual Report on business and operations alongwith Audited Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2011. The financial highlights for the year under review are given below:

### FINANCIAL HIGHLIGHTS

(Amount Rs. in lacs)

Particulars	Financial Year ended 31st March, 2011	Financial Year ended 31st March, 2010
Total Income	17116.27	13407.31
Total Expenditure	21229.77	16355.04
Profit /(Loss) before tax	(4113.50)	(2947.74)
Provision for tax	NIL	NIL
Wealth Tax	0.17	NIL
Income Tax for Earlier Years	NIL	0.08
Provision for Deferred Tax Liabilities	(1269.83)	(1021.39)
Profit after tax	(2843.84)	(1926.43)
Balance b/f from Last Year	730.06	2656.49
Balance Carried to Balance Sheet	(2113.78)	730.06
Transfer to Reserve	NIL	NIL
Paid-up Share Capital	3760.19	3760.19
Reserves and Surplus (excluding revaluation reserve)	1754.04	4597.88
Earning per share	(7.56)	(5.12)

### YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 17116.27 lacs as against Rs. 13407.31 lacs in the previous year. Depreciation of Rs. 2402 Lacs and Interest accrued Rs. 3193 Lacs during the year forced the company to suffer loss of Rs. 2844 Lacs. The main reason seen for not recovery of Depreciation and Interest in total are as under:

1. High Inflation rate faced by Indian economy.
2. Coal Price, Petroleum Products, Transportation Cost on Peak Levels.
3. Rate of Interest increased multiple times by bankers during the year.
4. Failure of Common Wealth Games resulting mismatch of room inventory in NCR Delhi.
5. High Competition and low operating Margin.

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

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

### MATERIAL CHANGES ETC.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31<sup>st</sup> March, 2011 and the date of this Report.

### DIVIDEND

The turnover of the Company has increased during the year. However, Company has suffered losses, due to the increase in the Raw material cost, increase in the excise duty, hike in the Petroleum products worldwide, increase in the Coal price by the Central Govt every fortnight during last 15 months in 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, 2011.

### 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.

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## 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 as 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. Research & Development is being carried out on routine basis.
- C. Foreign exchange earnings and outgo:**
- Export Activities:** During the year under review the Company have made Import/Export as given in (ii) below.
  - Foreign Exchange Earnings and Outgo:** (Amount in Rs Lacs)

Total Foreign Exchange Inflow	436.18
Total Foreign Exchange outflow	83.84

## 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

After the last Annual General Meeting, Mr Kamal Prasad was appointed as Nominee Director by the Punjab National Bank on the Board of the Company on 11<sup>th</sup> February, 2011.

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

The tenure of Mr Pradeep Kumar Jain as Managing Director of the company ended on 3<sup>rd</sup> February, 2011. The board in its meeting held on 28<sup>th</sup> January, 2011 re-appointed Mr Pradeep Kumar Jain as Managing Director of the company for a fresh term for 5 years.

The Board recommends their appointment at the ensuing Annual General Meeting.

The brief resumes of the directors who are to be re-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 detailed Corporate Governance Report attached with this report.

## AUDITORS

M/s Sunil K Mittal & Co., 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 section 224(1) of the Companies Act, 1956 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 and do not require any further clarification.

## 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:

- in preparation of the annual accounts, the applicable accounting standards have been followed;

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- 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 31<sup>st</sup> March, 2011 and of the 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 2011-12 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 Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

Date : 11th August, 2011  
Place : New Delhi

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

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

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## FORM A (See Rule 2)

Form for Discloser of particulars with respect to Conservation of Energy.

### A. POWER AND FUEL CONSUMPTION

#### 1. Electricity

##### a. Purchased

	Current Year 2010-11	Previous Year 2009-10
Unit	Nil	Nil
Total Amount (In INR)	Nil	Nil
Rate Per Unit	Nil	Nil

\* Power Connection Surrendered

##### b. Through Generator/Turbine

	Current Year 2010-11	Previous Year 2009-10
Unit	40304766	42348589
Unit per Ltr.of Fuel	3.00	3.00
Cost/Unit (In INR)	4.40	2.09

#### 2. Coal/ ( Used for production of Paper) Particulars

	Current Year 2010-11	Previous Year 2009-10
Quantity	55554.07 MT	32323.28 MT
Total Cost	2021.62 Lacs	1058.48 Lacs
Average Rate	3639.01 MT	3274.67 MT

#### 3. Fuel other than Coal (Used for production of Paper) Particulars

	Current Year 2010-11	Previous Year 2009-10
Quantity 300 KL	216 KL	
Total Cost	102.47 Lacs	66.01 Lacs
Average Rate	34157.37	30558.11 KL

### B. CONSUMPTION PER UNIT OF PRODUCTION Particulars

	Current Year 2010-11	Previous Year 2009-10
Production Kg.	64173851	63930143
Fuel/Electricity	2.67 per/kg.	1.32 per/kg.
Coal	3.15 per/kg.	1.66 per/kg.

## FORM B (See Rule 2)

Form for Discloser of particulars with respect to absorption

Expenses on Research and development-

Technology absorption, adoption and innovation -

NIL

NIL

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(Formerly known as Magnum Papers Limited)

## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

### 2. BOARD OF DIRECTORS

The Board has an optimum combination of Executive, Non Executive and Independent Directors. The Company has total 9 (nine) directors on the Board as on 31<sup>st</sup> March, 2011. Mr Praveen Kumar Jain and Mr Pradeep Kumar Jain are the Managing Directors of the Company and Mr Parmod Kumar Jain and Mr Abhey Jain are the Whole Time Directors of the Company.

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr Praveen Kumar Jain Chairman & Managing Director	Executive & Promoter	Nil	Nil	Nil
Mr Pradeep Kumar Jain Managing Director	Executive & Promoter	Nil	Nil	Nil
Mr Parmod Kumar Jain Whole-Time Director	Executive & Promoter	Nil	Nil	Nil
Mr Abhey Jain Whole-Time Director	Executive & Promoter	Nil	Nil	Nil
Mr Vinod Kumar Jain <sup>1</sup> Whole-Time Director	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
Mohd.Shahid Aftab <sup>2</sup> Director	Non Executive & Independent	Nil	Nil	Nil
Mr Kamal Prasad <sup>3</sup> Nominee Director	Non Executive & Independent	Nil	Nil	Nil

<sup>1</sup>Resigned from directorship w.e.f. 20<sup>th</sup> August, 2010

<sup>2</sup>Resigned from directorship w.e.f. 10<sup>th</sup> August, 2010

<sup>3</sup>Appointed as Nominee Director w.e.f. 11<sup>th</sup> February, 2011

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## Directors' Attendance Record

During the Financial Year 2010-11, 15 (fifteen) meetings of the Board of Directors were held on 03.04.2010, 26.04.2010, 29.05.2010, 31.07.2010, 13.08.2010, 20.08.2010, 27.08.2010, 10.09.2010, 27.09.2010, 30.10.2010, 12.11.2010, 24.11.2010, 28.01.2011, 11.02.2011 and 28.02.2011. 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 2010-11 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Praveen Kumar Jain	15	NIL	NO
Mr Pradeep Kumar Jain	15	15	YES
Mr Parmod Kumar Jain	15	15	YES
Mr Abhey Jain	15	15	YES
Mr Subhash Oswal	15	15	YES
Mr Shri Krishan Jain	15	15	YES
Mr Rakesh Garg	15	15	YES
Mr Naveen Jain	15	15	YES
Mr Vinod Kumar Jain <sup>1</sup>	5	5	NO
Mohd.Shahid Aftab <sup>2</sup>	4	NIL	NO
Mr Kamal Prasad <sup>3</sup>	2	NIL	NO

<sup>1</sup>Resigned from directorship w.e.f. 20<sup>th</sup> August, 2010

<sup>2</sup>Resigned from directorship w.e.f. 10<sup>th</sup> August, 2010

<sup>3</sup>Appointed as Nominee Director w.e.f. 11<sup>th</sup> February, 2011

## 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 to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished below:

Particulars	Mr Subhash Oswal	Mr Parmod Kumar Jain	Mr Pradeep Kumar Jain	Kamal Prasad
DIN	00088516	01222952	00024879	02281411
Father's Name	Banarsi Dass Oswal	Salek Chand Jain	Salek Chand Jain	Akhileshwar Prasad
Date of Birth	06.07.1950	02.04.1956	05.09.1959	10.10.1954
Address	C-642, New Friends Colony, New Delhi- 110 025	4326/3, Ansari road, Darya Ganj, New Delhi-110 002 India	113/3, Darya Ganj, New Delhi-110 002 India	C-607, Surya Vihar, Gurgaon-122001, Haryana, India
Designation	Director	Whole Time Director	Managing Director	Nominee Director
Education	Bachelor of Arts	Under Graduate	B.A (Arts)	B.Sc. (Hons)
Experience	30 yrs	31 yrs	29 yrs	34 yrs
Companies in which holds Directorship	Oswal Promoters Pvt Ltd	Nil	Nil	Nil
Companies in which holds membership of committees	Nil	Nil	Nil	Nil
Shareholding in the Company (No. & %)	Nil	Nil	Nil	Nil

# MAGNUM VENTURES LIMITED

(Formerly known as *Magnum Papers Limited*)

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## 3. AUDIT COMMITTEE

### (a) Terms of Reference

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

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

### (b) Composition

The Committee was last reconstituted on 15<sup>th</sup> February, 2010. The Audit Committee comprises three Directors with the Chairman, being an independent director, with expertise in financial and accounting areas.

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

Mr Ramesh Chander was the Secretary of the committee. However, he resigned from the Company w.e.f. 21<sup>st</sup> August, 2010.

Presently Mr Ravi Shanker Tiwari is the Secretary of the committee w.e.f. 1<sup>st</sup> September, 2010.

### (c) Attendance

The Committee met four (4) times during the Financial Year 2010-2011 on the following dates: 29.05.2010, 13.08.2010, 12.11.2010 and 11.02.2011. 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 GargMember	Non Executive Independent Director	4
Mr Naveen JainMember	Non Executive Independent Director	4

## 4. REMUNERATION COMMITTEE

### (a) Terms of Reference

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

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## (b) Composition

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

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

Mr Ramesh Chander was the Secretary of the committee. However, he resigned from the Company w.e.f. 21<sup>st</sup> August, 2010.

Presently Mr Ravi Shanker Tiwari is the Secretary of the committee w.e.f. 1<sup>st</sup> September, 2010.

## (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.

There was no meeting of Remuneration Committee held during the financial year 2010-2011.

## (d) Remuneration Policy of the Company

The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Non-Executive Directors during the financial year 2010-11 except sitting fee for attending Board and Committee meetings.

## (e) Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2011

Name of Director	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Sitting Fee (In Rs.)	Total Amount (In Rs.)	No. of Shares held (& %)
Mr Praveen Kumar Jain Managing Director	NIL	NIL	NIL	NIL	1664851044.28%
Mr Pradeep Kumar Jain Managing Director	NIL	NIL	NIL	NIL	2006500.53%
Mr Parmod Kumar Jain Whole Time Director	NIL	NIL	NIL	NIL	2001500.53%
Mr Abhey Jain Whole Time Director	NIL	NIL	NIL	NIL	3026000.80%
Mr Subhash Oswal Director	NIL	NIL	NIL	NIL	NIL
Mr Shri Krishan Jain Director	NIL	NIL	NIL	NIL	NIL
Mr Rakesh Garg Director	NIL	NIL	NIL	NIL	NIL
Mr Naveen Jain Director	NIL	NIL	NIL	NIL	NIL
Mr Vinod Kumar Jain <sup>1</sup> Whole Time Director	NIL	NIL	NIL	NIL	4568501.21%
Mr Mohd. Shahid Aftab <sup>2</sup> Director	NIL	NIL	NIL	NIL	NIL
Mr Kamal Prasad <sup>3</sup> Nominee Director	NIL	NIL	NIL	NIL	NIL

<sup>1</sup>Resigned from directorship w.e.f. 20<sup>th</sup> August, 2010

<sup>2</sup>Resigned from directorship w.e.f. 10<sup>th</sup> August, 2010

<sup>3</sup>Appointed as Nominee Director w.e.f. 11<sup>th</sup> February, 2011



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## 5. INVESTORS' GRIEVANCE COMMITTEE

### (i) Terms of Reference:

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

### (ii) Composition:

The Investors' Grievance Committee comprised of the following directors:

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

Mr Ramesh Chander was the Secretary of the committee. However, he resigned from the Company w.e.f. 21<sup>st</sup> August, 2010.

Presently Mr Ravi Shanker Tiwari is the Secretary of the committee w.e.f. 1<sup>st</sup> September, 2010.

(iii) Mr Ravi Shanker Tiwari 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) During the year, no complaint was received from the shareholders.

### (v) Attendance

The Committee met four (4) times during the Financial Year 2010-2011 on the following dates: 26.04.2010, 31.07.2010, 30.10.2010 and 28.01.2011. Details of attendance of Directors in the Investors' Grievance Committee meeting 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 Member	Non Executive Independent Director	4

The Company put utmost priority to the satisfaction of its shareholders, which is evident from the fact that only very few complaints were received by the Company. The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/issues have been resolved expeditiously, except in case of dispute over facts or other legal constraints.

## 6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2008	27.08.2008	Shri Purushottam Hindi Hindi Bhavan, 11, Vishnu Digambar Marg, (Raus Avenue), New Delhi 110 002	11.30 A.M.	1
2009	29.09.2009	Gayatri Hall, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi road, New Delhi-110 003	03:30 P.M.	NIL
2010	17.09.2010	Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Aria, Lodhi road, New Delhi-110 003	02.30 P.M.	1

# MAGNUM VENTURES LIMITED

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Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2008	27.08.2008	<ul style="list-style-type: none"><li>Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.</li></ul>
2010	17.09.2010	<ul style="list-style-type: none"><li>Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.</li></ul>

No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot at present.

## 7. DISCLOSURES

### (a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or 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 – [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 household of shareholders.

(b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.

- which newspaper normally published in Financial Express(English) & Hari Bhoomi (Hindi)
- Any website where displayed Yes  
[www.magnumventures.in](http://www.magnumventures.in)

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

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## 10. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Day & Date	Time	Venue
Tuesday, 27 <sup>th</sup> September, 2011	01.00 P.M.	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002

### ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2011	Mid of August, 2011
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2011	Mid of November, 2011
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2011	Mid of February, 2012
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2012	Mid of May, 2012

- iii) **Dates of Book Closure** : 23<sup>rd</sup> September, 2011 to 27<sup>th</sup> September, 2011  
(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 10	11.80	8.60	65,66,786
May 10	11.81	9.50	74,77,771
June 10	10.45	9.25	18,98,012
July 10	13.24	9.40	1,36,89,288
Aug 10	12.83	10.55	1,24,09,622
Sep 10	12.00	10.40	68,78,371
Oct 10	11.79	9.96	52,53,248
Nov 10	10.44	7.58	29,89,920
Dec 10	9.45	7.74	15,37,282
Jan 11	8.69	7.00	12,58,603
Feb 11	7.49	5.81	10,85,276
March 11	7.60	5.46	22,62,047

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

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

Months	High	Low	Volume
April 10	11.85	8.85	8,60,439
May 10	11.85	9.7	5,14,803
June 10	10.35	9.45	2,68,453
July 10	12.9	9.4	18,00,750
Aug 10	12.9	10.85	10,70,850
Sep 10	12.05	10.35	5,01,729
Oct 10	11.9	10.1	4,13,569
Nov 10	10.45	7.6	3,42,885
Dec 10	9.4	8.05	3,12,802
Jan 11	8.7	7	2,02,022
Feb 11	7.4	6	1,81,148
March 11	7.6	5.95	4,57,098

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

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

M/s Mass Services Limited are acting as Registrar & Transfer Agents (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 them. 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 Mass Services Limited
Contact Person	Mr Sarwan 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 shares are traded in the Stock Exchange, Mumbai compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

## ix) Distribution of Shareholding as on 31<sup>st</sup> March 2011:

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(2)	(3)	(4)	(5)
Up to 5,000		10564	70.966	2,29,63,670	6.107
5,001	10,000	2072	13.919	1,83,53,560	4.881
10,001	20,000	1051	7.060	1,68,79,650	4.489
20,001	30,000	418	2.808	1,11,83,280	2.974
30,001	40,000	157	1.055	57,93,230	1.541
40,001	50,000	194	1.303	93,60,220	2.489
50,001	1,00,000	230	1.545	1,72,77,810	4.595
1,00,001 and Above		200	1.344	27,42,07,420	72.924
Total		14886	100	37,60,18,840	100

## **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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x) **De-materialization of shares and liquidity:** As on 31<sup>st</sup> March, 2011 about 91.19% of the Company's equity shares had been dematerialized. 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 Ltd  
Plot No. 18/41,  
Site-IV, Industrial Area,  
Sahibabad, Ghaziabad 201 010  
Uttar Pradesh  
Phone: 0120- 4199200 (100 lines)  
Fax: 0120- 4199234  
e-mail: magnumventures@gmail.com

### **11. NON-MANDATORY REQUIREMENTS**

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.

# **MAGNUM VENTURES LIMITED**

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## **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 31<sup>st</sup> March 2011 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 are 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 : 11<sup>th</sup> August, 2011  
Place : Delhi

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

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members of**  
**Magnum Ventures Ltd**

We have examined the compliance of conditions of Corporate Governance by Magnum Ventures Limited for the year ended on 31<sup>st</sup> March, 2011 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.

Date : 11<sup>th</sup> August, 2011  
Place : Delhi

Sd/-  
Debabrata Deb Nath  
Partner  
ACS:23935; CP:8612

# **MAGNUM VENTURES LIMITED**

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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report contain certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding 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, 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 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.

### **BUSINESS OUTLOOK**

The company is in the business of sale and manufacturing of paper products from waste paper in India. The company offers writing, printing, duplex, Xerox, wrapping, and packing papers, as well as duplex boards. The company is one of the Largest Writing & Printing paper and Duplex Board manufacturer in Northern India. The Company has the utmost regard for the environment. It is because of the Company uses waste paper as its main raw material for its four manufacturing lines. This is used for manufacturing both Writing & Printing Paper and Duplex Boards. Paper made by the Company is available throughout India and are used printing of text books and note books. Duplex board manufactured by the Company has industrial uses and is extensively used by the packaging industry. The Company's Coated Duplex Board has made a name for itself in the packaging Industry for various kind of packages. Company products have strong established base in the domestic market.

Apart from domestic sale, the Company is also exporting its products to neighboring countries and countries of third World. In addition, the company is also engaged in the business of Hotel industry. Five Star Hotel & Resort by the name of "Country Inn & Suites By Carlson" comprising 216 rooms in four categories i.e. 64 standard rooms, 76 superior rooms, 70 Club rooms, and 6 Executive Suites of the Company was soft launch in the month of January, 2009, which is in fully 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 and the Tatva Sahibabad Restaurant of Hotel Division of the company was also awarded as City's Finest Vegetarian Restaurant in Crystal 2010 Peoples Choice Award by HT City.

### **INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK**

#### **PAPER INDUSTRY**

**Paper Industry in India is riding on a strong demand and on an expanding mood. The Indian Paper Industry is among the top 15 global players today and is the 9<sup>th</sup> largest paper manufacturer in the world with an output of more than 6 millions tones annually.**

In this Era of knowledge, there is a growing demand for paper consumption as a result of growth in education sector and increasing literacy rate. Increased economic activities, Liberal Government Policies, availability of Raw Material are providing the players of paper industry an opportunity for growth and expansion.

The **Indian Paper Industry** is a booming industry and is expected to grow in the years to come. The usage of paper cannot be ignored and this awareness is bound to bring about changes in the paper industry for the better. An analysis of drivers explains growth factors such as growth in education sector, increased corporate activity due to favorable economic conditions, increase in number press publications and growing packaging industry.

In Indian context, Economic growth continues to drive up paper consumption. There have been several structural changes in the economy that accompany the impressive growth witnessed in the last 5-6 years. India generates approximately 0.1 million tonnes of municipal solid waste everyday, or about 36.5 million tonnes annually! Of this waste, 40% is just paper. In other words, we produce 14.6 million tonnes of waste paper every year.

# MAGNUM VENTURES LIMITED

(Formerly known as *Magnum Papers Limited*)

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## HOTEL INDUSTRY

The Indian Hotel Industry is a destination for hotel chains looking for growth. The World Travel and Tourism Council, India, data says, India ranks 18th in business travel and will be among the top 5 in this decade. From past 5 years there is huge growth in hotel industry, hotels, luxury hotels; jobs related to hotel hospitality industry and hotel industry also increase the business for Tourism Industry. Hotel Industry is a part of Hospitality Industry that earns a lot to promote a countries economy. Sources estimate, demand is going to exceed supply by at least 100% over the next 2 years.

## OPPORTUNITIES & THREATS

### PAPER INDUSTRY

The **Indian Paper Industry** is a booming industry and is expected to grow in the years to come. The usage of paper cannot be ignored and this awareness is bound to bring about changes in the paper industry for the better. The **Paper industry** is a priority sector for foreign collaboration and foreign equity participation upto 100% receives automatic approval by Reserve Bank of India. Several fiscal incentives have also been provided to the paper industry, particularly to those mills which are based on non-conventional raw material.

Several Government policies measures like accelerated depreciation to partially mitigate high capital intensity, duty free imports of new & second hand machinery/equipment for Technology Up gradation, introduction of modern and effective collection and grading system, Better availability & quality of coal, more uniform Energy Policy by States etc. have been initiated in recent years to remove the bottlenecks of availability of raw materials and infrastructure development. To bridge the gap of short supply of raw materials, duty on pulp and waste paper and wood logs/chips have been reduced. The capacity utilization of the industry is low at 60%. About 194 paper mills, particularly small mills, are sick and /or lying closed. Several policy measures have been initiated in recent years.

Import of paper and paper products at minimum import duty was growing over the years. Introduction of eco labeling system where in products made from recycled fiber is rated higher than the products made form virgin fiber.

Waste paper is not just thrown away or used only for wrapping your purchases at the local kirana shop. Globally, recycling of paper is a huge business. There are global exchanges that deal in waste paper and many countries mandate the recycling of paper.

Currently, the recovery of waste paper in India is low at 26% compared to say Germany at 80%, Thailand at 45% and China at 38%, according to the Indian Agro & Recycled Paper Mills Association (IARPMA) estimates. Here, it is pertinent to note that recovery means collecting back for reuse, while recycling means producing paper out of recovered waste paper. This means that out of our consumption of 8.3 million tonnes of paper, only about 2 million tonnes is recovered for reuse. Obviously, there are significant opportunities hidden in paper.

Import tariff levels, although much lower now, still continues a significant barrier to imports and the sector faces an increasing risk of competition from imports.

The high investment levels required and limited “conventional” fiber resources are the major deterrents to growth in this segment for both existing players as well as new entrants. “Lower end cultural grades” manufactured by smaller players using unconventional raw materials in low investment, low tech plants cater to consumers in the price sensitive sub segment of this market. This sub segment depends significantly on the tariff differential based on size and raw material for its viability. With relatively smaller number of players and high import tariff protection, prices of end products, generally perceived to be higher quality, have been high.

**At present, as a result of a significant CO<sub>2</sub> allowance reduction, the papermaking industry is facing a serious threat to its further development. This stems from the energy intensiveness of the industry as well as from high costs of environmental exploitation.**

## HOTEL INDUSTRY

Over the last decade and half the mad rush to India for business opportunities has intensified and elevated room rates and occupancy levels in India. The successful growth story of ‘Hotel Industry in India’ seconds only to China in Asia Pacific.

According to the tourism ministry, 10 million tourists visited India last year and at current trend, demand will increase after launching the ‘Incredible India’ Campaign. With tremendous pull of opportunity, India is a destination for hotel chains looking for growth. The World Travel and Tourism Council, India, data says, India ranks 18th in business travel and will be among the top 5 in this decade. Sources estimate, demand is going to exceed supply by at least 100% over the next 2 years. Five-



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star hotels in metro cities allot same room, more than once a day to different guests, receiving almost 24-hour rates from both guests against 6-8 hours usage. With demand-supply disparity, 'Hotel Industry in India' is eroding its competitiveness as a cost effective destination. However, the rating on the 'Indian Hotels' is bullish.

'India Hotel Industry' is adding about 60,000 quality rooms, currently in different stages of planning and development and should be ready by 2012. MNC Hotel Industry giants are flocking India and forging Joint Ventures to earn their share of pie in the race. Government has approved 300 hotel projects, nearly half of which are in the luxury range. Sources said, the manpower requirements of the hotel industry increased 15 million in 2010 and it will increase by the next 5 years.

'Hotel Industry in India' is set to grow at 15% a year. This figure skyrocketed in 2010, when Delhi hosted the Commonwealth Games. Already, more than 50 international budget hotel chains are moving into India to stake their turf. Therefore, with opportunities galore the future 'Scenario of Indian Hotel Industry' looks rosy.

From past 5 years there is huge growth in hotel industry, hotels, luxury hotels, jobs related to hotel hospitality industry and hotel industry also increase the business for Tourism Industry. Hotel Industry is a part of Hospitality Industry, that earns a lot to promote a countries economy, but hotel industry is not the alone one, Hotel Industry directly or indirectly provides Business to many industries like Travel Agency, Tour Operators and Transportation etc.

### **RISKS & CONCERNS**

#### **PAPER INDUSTRY**

Performance of the industry has been constrained due to high cost of production caused by inadequate availability and high cost of raw materials, power cost and concentration of mills in one particular area. India's per capita consumption of paper is around 4.00 kg, which is one of the lowest in the world.

Moreover, with the up gradation and modernization, the Company can take advantage of the swing capacity to manufacture either newsprint or writing & printing paper. The Company extends the quality management responsibility from the quality control department to every member on the shop floor. With the expected increase in literacy rate and growth of the economy, an increase in the per capita consumption of paper is expected, which helps the company to extend not only its manufacturing process but also across entire operations.

#### **HOTEL INDUSTRY**

**The Indian hotel industry is still in the nascent stage of recovery. The Indian hotel industry appears to be now on a path of slow recovery, having coming out of two exceptional years 2009 and 2010. But during the Commonwealth Games there is a drastic change in the Indian hotel industry. The later half of 2010-2011 push the hotel industry with higher tariffs, although price recovering for the whole 2010-2011 stood at a tepid 5-8%**

However, management expects that the hotel industry post a modest recovery in the performance during the upcoming years.

#### **HUMAN RESOURCE / INDUSTRIAL RELATIONS**

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.

Industrial relation encompasses all such factors that influence behavior of people at work. The Company's belief in trust, transparency and teamwork improved employee and staff productivity at all levels. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management's ongoing object is to create a healthy environment where talented employees engage in sustainable value for the stakeholders. Your management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

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

**Your company follows the following measures relating to the internal control system to reduce the risk and proper implementation of the policies:-**

- The Company has established a sound internal control system which contributes to safeguarding the shareholders' 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.

## **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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- 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 segment are as follows:

<b>Product</b>	<b>Sales</b>			
	<b>Current Year (2010-11)</b>		<b>Previous Year (2009-10)</b>	
	<b>Quantity (Kgs)</b>	<b>Value (Rs in Lacs)</b>	<b>Quantity (Kgs)</b>	<b>Value (Rs in Lacs)</b>
Paper Division	65777272	13276.90	64117206	10928.73
Hotel Division	NA	4499.93	NA	23.21

# **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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## **AUDITOR'S REPORT**

The Members of

### **MAGNUM VENTURES LIMITED**

(Previously Known as Magnum Papers Limited)

We have audited the attached Balance Sheet of MAGNUM VENTURES LIMITED(Previously Known as Magnum Papers Limited) as at 31.03.2011 and also the Profit and Loss account and the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that

- (i) 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.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as, appears from our examination of the books;
- (iii) The Balance Sheet, profit and loss account and cash flow statement dealt by this report are in agreement with the books of account;
- (iv) In our opinion, Subject to Note 12 of Schedule XIX regarding non compliance with Accounting Standard – 15 in respect of Employee benefits issued by Institute of Chartered Accountants of India, the Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Company Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to explanation given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March , 2011;
  - b) in the case of Profit & Loss Account, of the Loss for the period ended on 31<sup>st</sup> March 2011; and
  - c) in the case of the cash flow statement, of the cash flows for the period ended on 31<sup>st</sup> March 2011.

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

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

Place : New Delhi  
Dated : 27/05/2011

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

Annexure to Auditor's Report

## MAGNUM VENTURES LIMITED

(Previously Known as Magnum Papers Limited)

### AUDITOR'S REPORT UNDER CARO 2003 FOR THE YEAR ENDED 31.3.2010

- i) In respect of its fixed assets:
- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - The management at reasonable intervals has physically verified all the fixed assets. As reported to us, by the management, no material discrepancy was noticed on such verification.
  - According to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the company during the year & the going concern status of the company is not affected

ii) In respect of its inventories:

- The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- On the basis of our examination of the records of inventory, in our opinion the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.

iii) a) The company has taken interest free unsecured loan from the parties listed in the register maintained under section 301 of the Companies Act 1956

S.No	Name	Amount of Loan taken	Maximum amount o/s	Closing balance (cr.)
1	Parv Jain	100000.00	1783814.00	1783814.00
2	Pradeep Kumar Jain	1020000.00	11180905.53	11180905.53
3	Pramod Kumar Jain	700000.00	654927.28	654927.28
4	Vinod Kumar Jain	18587000.00	19107951.17	19107951.17
5	Parveen Jain	3510000.00	204391824.00	204391824.00

- The Company has not granted unsecured loan to parties covered under section 301 of the Companies Act 1956.
  - Being the term of repayments have not been stipulated, we are unable to comment whether the repayment of principal amount is regular or not.
  - Being the term of repayments have not been stipulated, we are unable to comment whether there is any due amount of more than one lacs rupees or not.
- iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of the business for the purchase of Inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been information of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered. The company has not entered into any transaction exceeding Rs.5 lacs in respect of any party hence further reporting is not applicable for the company.
- vi) The company has not accepted any deposit in terms of section 58A, 58 AA or any other relevant provisions of the Companies Act, 1956.
- vii) In our opinion the company is having an adequate internal audit system, commensurate with its size and nature of the business.
- viii) The Central Govt. has prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, in respect of the Paper products of the company & company has maintained accounting records as prescribed. We have relied upon the certificate issued by the cost accountant in this regard.

# MAGNUM VENTURES LIMITED

(Formerly known as *Magnum Papers Limited*)

ix) In respect of statutory dues:

According to the records of the company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service tax, Sales Tax, Custom Duty, and Excise Duty were in arrears, as at 31.03.2011 for a period more than six months from the date, they became payable.

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

Name of the statute	Name of the dues	Amount (in Rs)	Period to which the amount relate	Status/ Forum where dispute is pending
Custom & Central Excise	Cenvat Credit	Rs. 828510/-		Custom & Central Excise Deptt has filed appeal in Allahabad High Court.
	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise
Income Tax Act, 1961	Income Tax	0.78 crores	2007-08	ITAT

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

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

Sd/-

**(Sunil Kumar Jain)**

Proprietor

Membership No. 84125

Place : New Delhi

Dated : 27/05/2011

**MAGNUM VENTURES LIMITED***(Formerly known as Magnum Papers Limited)***BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	Schedule No.	AS AT 31/3/2011 (Rs.)	AS AT 31/3/2010 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>(1) SHARE HOLDER'S FUNDS</b>			
(a) Share Capital	I	376018840.00	376018840.00
(b) Reserve & Surplus	II	175403612.00	459787789.04
<b>(2) LOAN FUNDS</b>			
Secured Loans	III	2729046357.32	2609369861.01
Unsecured Loan	IV	269277598.13	239575598.13
<b>(3) DEFERRED TAX LIABILITIES (Asset)</b>			
		0.00	13717697.00
<b>Total</b>		<b>3549746407.45</b>	<b>3698469785.18</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>(1) FIXED ASSETS</b>			
(a) Gross Block	V	3949226504.68	3909825476.33
(b) Less:-Depreciation		1102223393.39	861987387.79
(c) Capital Work in Progress (Including Capital Advances)		0.00	3409843.53
(d) Net Block		2847003111.29	3051247932.07
<b>(2) CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) Inventories	VI	130555956.00	166891882.58
(b) Sundry Debtors	VII	523169410.11	458959547.45
(c) Cash & Bank Balance	VIII	8305852.94	7472778.42
(d) Loans & Advances	IX	103004658.66	133322118.26
<b>Total</b>		<b>765035877.71</b>	<b>766646326.71</b>
Less: Current Liabilities & Provision Net Current Assets	X	176035528.55 589000349.16	119678077.60 646968249.11
<b>(3) DEFERRED TAX ASSETS</b>			
		113265059.00	0.00
<b>(4) MISCELLANEOUS EXPENDITURE</b>			
	XI	477888.00	253604.00
<b>Total</b>		<b>3549746407.45</b>	<b>3698469785.18</b>
		<b>(0.00)</b>	<b>(0.00)</b>
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	XIX		

As per our report of even date

For and on behalf of the Board of Directors

**For SUNIL K. MITTAL & CO.**Chartered Accountants  
Firm Reg No 008524NSd/-  
**(PRADEEP KUMAR JAIN)**  
Managing DirectorSd/-  
**(ABHEY JAIN)**  
DirectorSd/-  
**(SUNIL KUMAR JAIN)**  
ProprietorSd/-  
**(RAVI SHANKER TIWARI)**  
Company Secretary

Place : New Delhi

Date : 27th May, 2011

**MAGNUM VENTURES LIMITED***(Formerly known as Magnum Papers Limited)***MANUFACTURING & PROFIT & LOSS ACCOUNT FOR YEAR ENDED ON 31st MARCH 2011**

PARTICULARS	Schedule No.	Current Year 31/03/2011 (Rs.)	Previous Year 31/03/2010 (Rs.)
<b>INCOME</b>			
Gross Sales		1777683494.28	1371318206.69
Less: Excise Duty		46714264.58	46316817.00
Net Sales		1730969229.70	1325001389.69
Other Income	X II	11137999.24	15820346.31
Increase / ( Decrease) In Stock	XIII	(30480305.00)	(91189.00)
<b>TOTAL</b>		<b>1711626923.94</b>	<b>1340730547.00</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	XIV	555106812.86	489219298.13
Manufacturing Expenses	XV	648630489.47	433770543.73
Payment and provision for employees	XVI	111917965.44	94047129.94
Financial Expenses	XVII	319266874.57	226461550.41
Administration & Other Expenses	XVIII	247819036.04	163758378.59
Depreciation	V	240236005.60	228247198.46
<b>TOTAL</b>		<b>2122977183.98</b>	<b>1635504099.26</b>
Profit before Tax		(411350260.04)	(294773552.26)
Less:- Provision for Income Tax for current year		0.00	0.00
Less:- Wealth Tax		16673.00	0.00
Less:- IncomeTax For Earlier Years		0.00	8387.00
Less:- Provision for Deferred tax laibilities		(126982756.00)	(102139111.00)
Profit after Tax		(284384177.04)	(192642828.26)
Add:- Balance b/f from last year		73005922.45	265648750.71
Balance Carried to Balance Sheet		(211378254.59)	73005922.45
Net Profit attritutable to Equity Share Holders		(284384177.04)	(192642828.26)
Weighted Average No of Equity Shares		37601884.00	37601884.00
Basic EPS		(7.56)	(5.12)
Diluted EPS		(7.56)	(5.12)

**NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES**

XIX

As per our report of even date

For and on behalf of the Board of Directors

**For SUNIL K. MITTAL & CO.**Chartered Accountants  
Firm Reg No 008524NSd/-  
**(PRADEEP KUMAR JAIN)**  
Managing DirectorSd/-  
**(ABHEY JAIN)**  
DirectorSd/-  
**(SUNIL KUMAR JAIN)**  
ProprietorSd/-  
**(RAVI SHANKER TIWARI)**  
Company Secretary

Place : New Delhi

Date : 27th May, 2011

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

PARTICULARS	AS AT 31/03/2011 (Rs.)	AS AT 31/03/2010 (Rs.)
<b>SCHEDULE - I : SHARE CAPITAL</b>		
<b>Authorised Capital</b>	<b>640000000.00</b>	<b>640000000.00</b>
64000000 (64000000) equity shares of Rs. 10/- each		
<b>Issued, Subscribed &amp; Paidup Capital</b>	<b>376018840.00</b>	<b>376018840.00</b>
37601884 (37601884) Shares of Rs. 10 each fully paid up.		
<b>TOTAL</b>	<b>376018840.00</b>	<b>376018840.00</b>

Note:- 37601884 (37601884) fully paid up equity shares includes 778300 issued as fully paid up bonus shares by Capitalising the profit of the Company.

## **SCHEDULE - II : RESERVE & SURPLUS**

### **RESERVE**

Share Premium Account	<b>385253799.53</b>	<b>385253799.53</b>
<b>Total A</b>	<b>385253799.53</b>	<b>385253799.53</b>
General Reserve	<b>1528067.07</b>	<b>1528067.07</b>
<b>Total B</b>	<b>1528067.07</b>	<b>1528067.07</b>

### **SURPLUS**

Profit & Loss A/c	<b>(211378254.60)</b>	<b>73005922.44</b>
<b>Total C</b>	<b>(211378254.60)</b>	<b>73005922.44</b>
<b>Total A + B + C</b>	<b>175403612.00</b>	<b>459787789.04</b>

## **SCHEDULE - III : SECURED LOANS**

### **RUPEE TERM LOAN :**

#### **FROM BANKS:**

Indian overseas Bank	<b>277855853.00</b>	<b>275126928.00</b>
PNB	<b>737233001.00</b>	<b>730928089.00</b>
Syndicate Bank	<b>599591053.24</b>	<b>598449854.26</b>
Oriental Bank Of Commerce	<b>304383541.00</b>	<b>302319121.00</b>
Allahabad bank	<b>187565563.12</b>	<b>185604432.04</b>
Vijaya Bank	<b>229749690.00</b>	<b>226912380.00</b>
Car Loan	<b>6958724.01</b>	<b>4744806.44</b>
<b>Total A</b>	<b>2343337425.37</b>	<b>2324085610.74</b>

### **WORKING CAPITAL LOANS :**

IOB	<b>28875429.14</b>	<b>18991426.39</b>
Oriental Bank of Commerce	<b>221879621.87</b>	<b>188030820.87</b>
Syndicate Bank	<b>22837311.98</b>	<b>23056932.98</b>
Allahabad Bank	<b>40172875.34</b>	<b>12873523.00</b>
PNB	<b>71943693.62</b>	<b>42331547.03</b>
<b>Total B</b>	<b>385708931.95</b>	<b>285284250.27</b>
<b>Total (A+B)</b>	<b>2729046357.32</b>	<b>2609369861.01</b>

## **SCHEDULE - IV : UNSECURED LOANS**

From Directors	<b>218086839.55</b>	<b>207592790.72</b>
From Others	<b>51190758.58</b>	<b>31982807.41</b>
	<b>269277598.13</b>	<b>239575598.13</b>



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

**SCHEDULE - V : FIXED ASSETS AS PER SCHEDULE XIV OF COMPANIES ACT, 1956**

Sr. No.	Particular	ROD/Yrs. of Amortisation	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			As At 1.04.2010	Addition	Sale/ Adjustment	As At 31.03.2011	As At 1.04.2010	During the Period	W/Off	Total as on 31.03.2011	WDV As On 31.03.2011	WDV As On 31.03.2010
1	Land	0%	28275584.60			28275584.60	0.00	0.00	0.00	28275584.60	28275584.60	28275584.60
2	Building	10%	55066658.55	256711.00	0.00	55323369.55	34293560.40	2087980.00	0.00	36381540.40	18941829.15	20773098.15
3	Plant & Machinery	15.33%	1493361682.87	19455963.98	778575.00	1512039051.85	628695660.16	133816491.00	0.00	762512151.16	749526900.69	864666002.71
4	Electrical Installation	15.33%	76375401.21	758280.00	0.00	77133681.21	57390882.51	2990810.00	0.00	60381492.51	16752188.70	18984718.70
5	Generator	15.33%	24504952.31	0.00	0.00	24504952.31	15616353.51	1362822.00	0.00	16978975.51	7525976.80	8888598.80
6	Vehicle	25.89%	15063845.87	42900.00	0.00	15106745.87	11422221.27	945556.00	0.00	12367777.27	2738968.60	3641624.60
7	Office Equipment	13.91%	1443461.46	125120.00	0.00	1568581.46	855046.89	90832.00	0.00	945878.89	622702.57	588414.57
8	Furniture & Fixture	18.10%	545807.73	0.00	0.00	545807.73	266636.00	50530.00	0.00	317166.00	228641.73	279171.73
9	Computer	40%	964887.16	111322.00	0.00	1076209.16	791087.98	84012.00	0.00	875099.98	201109.18	173799.18
10	Fire Fighting Equip.	15.33%	808603.00	0.00	0.00	808603.00	353238.00	69807.00	0.00	423045.00	385558.00	45365.00
11	Computer Software	5 Years	183220.00	68700.00	0.00	251920.00	37498.00	36882.00	0.00	74180.00	177740.00	145722.00
	<b>Straight Line Method</b>											
12	Drinking Plant	4.75%	101990419.60	0.00	0.00	101990419.60	19776465.80	484454.00	0.00	24621010.80	77369408.80	82213953.80
13	Turbine	4.75%	168463829.35	1694675.45	0.00	170158504.80	4090375.40	8059774.00	0.00	48150149.40	122008355.40	128373453.95
	<b>Total</b>		1967048333.71	22513672.43	778575.00	1988783431.14	80958825.92	154439641.00	0.00	964028466.92	1024754964.22	1157459507.79
	<b>HOTEL-DIVISION</b>											
1	Land	0%	162657974.26	0.00	0.00	162657974.26	0.00	0.00	0.00	0.00	162657974.26	162657974.26
	<b>Straight Line Method</b>											
2	Building & Site	1.63%	879257847.78	326881.50	0.00	879584679.28	9597464.00	14334662.00	0.00	23932126.00	85562553.28	869660383.78
3	Computer	16.21%	7528989.00	0.00	0.00	7528989.00	1297831.00	1220449.00	0.00	2518280.00	5010709.00	6231158.00
4	Furniture & Fixture	9.50%	556172152.20	3190786.00	197608.00	559165310.20	27700350.00	52963617.00	0.00	80663967.00	478501343.20	528471802.20
5	Plant & Machinery	4.75%	311827601.71	535459.00	0.00	312363060.71	12783994.00	14824981.00	0.00	27608975.00	284754085.71	299043607.71
6	Computer Software	5 Years	1900308.00	0.00	0.00	1900308.00	278773.00	380061.60	0.00	658834.60	1241473.40	1621535.00
7	Car	9.50%	6893939.00	0.00	124716.00	6769223.00	422556.43	643076.00	0.00	1065632.43	5703590.57	6471382.57
	<b>Total</b>		1926238811.95	4053056.50	322324.00	1929969544.45	52080968.43	84366846.60	0.00	136447815.03	1793521729.42	1874157843.52
	<b>HOTEL-CIS</b>											
	<b>Straight Line Method</b>											
1	Plant & Machinery	1.63%	6216323.50	8437724.44	1285200.00	13368847.94	121572.00	362422.00	—	483994.00	12884853.94	6094751.50
2	Furniture & Fixture	9.50%	1694640.02	598092.00	0.00	2292732.02	107795.00	200221.00	—	308016.00	1984716.02	1588845.02
3	Computer	16.21%	1056676.40	500318.98	0.00	1556995.38	66051.00	234123.00	—	300174.00	1256821.38	990625.40
4	Office Equipment	4.75%	270919.75	34650.00	0.00	305569.75	8949.00	13216.00	—	22165.00	283404.75	261970.75
5	Generator	4.75%	6661000.00	0.00	0.00	6661000.00	10714.44	325898.00	—	336612.44	6524387.56	6650285.56
6	Car	9.50%	438771.00	4775167.00	0.00	5213938.00	2512.00	276912.00	—	279424.00	4934514.00	436259.00
7	Computer Software	5 Years	0.00	874446.00	0.00	874446.00	0.00	16726.00	—	16726.00	857720.00	0.00
	<b>Total</b>		16538330.67	15220398.42	1285200.00	30473529.09	317593.44	1429518.00	0.00	1747111.44	28726417.65	16220737.23
	<b>GRAND TOTAL (Hotel+Paper)</b>		3909825476.33	41787127.35	2386099.00	3949226504.68	861987387.79	240236005.60	0.00	110223393.39	284700311.29	3047838088.54
	<b>Previous year</b>		2610307559.23	1326866723.32	27348806.22	3909825476.33	650217516.58	228247198.46	16477327.25	861987387.79	3047838088.54	1960090042.65

\*Note: Softwares are amortised in 5 years

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

PARTICULARS	AS AT 31/3/2011 (Rs.)	AS AT 31/3/2010 (Rs.)
<b>SCHEDULE - VI : INVENTORIES</b>		
(As Valued & Certified by the Management)		
Raw Material	11130148.00	41316169.00
Work-In-Progress	2510570.00	2510570.00
Finished Goods	5637935.00	36118240.00
Chemicals Stores & Consumables	61606464.00	44419808.00
Hotel Stock	5503139.00	4496995.58
Fuel	44167700.00	38030100.00
<b>TOTAL</b>	<b>130555956.00</b>	<b>166891882.58</b>
<b>SCHEDULE - VII : SUNDRY DEBTORS</b>		
(Unsecured & considered good by Management)		
a) Debts outstanding for a period exceeding Six Months	25230352.73	132574564.74
b) Others Debts	497939057.38	326384982.71
<b>TOTAL</b>	<b>523169410.11</b>	<b>458959547.45</b>
<b>SCHEDULE - VIII : CASH &amp; BANK BALANCE</b>		
Cash in hand	1050337.00	1082596.00
Fixed Deposit with Punjab National Bank	808899.00	0.00
Balance with scheduled banks in current accounts	6446616.94	6390182.42
<b>TOTAL</b>	<b>8305852.94</b>	<b>7472778.42</b>
<b>SCHEDULE - IX : LOANS &amp; ADVANCES</b>		
(Unsecured, & considered good by the Management)		
Advance recoverable in cash or in kind or for value to be received	50816217.35	66281443.40
Security Deposit	3895046.63	2956624.04
Advance to Supplier for raw materials & Others	45909880.08	62169996.82
Prepaid Expenses	2383514.60	1914054.00
Inter Company Balances	0.00	0.00
<b>TOTAL</b>	<b>103004658.66</b>	<b>133322118.26</b>
<b>SCHEDULE - X : CURRENT LIABILITIES &amp; PROVISION</b>		
<b>SUNDRY CREDITORS</b>		
— Due to Small Scale Industries	0.00	0.00
— Due to Others	135678618.93	87761196.99
Expenses Payable	20581804.06	14243092.69
Advance from Customers	10084645.56	9380259.92
<b>TOTAL</b>	<b>166345068.55</b>	<b>111384549.60</b>
<b>PROVISIONS</b>		
Provision for Income Tax	0.00	0.00
Provision for Leave Encashment	1758745.00	1672024.00
Provision for Gratuity	6769528.00	5385383.00
Provision for Bonus	1162187.00	1236121.00
<b>TOTAL</b>	<b>176035528.55</b>	<b>119678077.60</b>

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

<b>PARTICULARS</b>	<b>AS AT 31/3/2011 (Rs.)</b>	<b>AS AT 31/3/2010 (Rs.)</b>
<b><u>SCHEDULE - XI : MISCELLANEOUS EXPENDITURE</u></b>		
Right issue Expenses	477888.00	253604.00
<b>TOTAL</b>	<b>477888.00</b>	<b>253604.00</b>
<b><u>SCHEDULE - XII : OTHER INCOME</u></b>		
Profit (Loss) on sale of Discarded assets	0.00	2681639.00
Sale of Discarded Stores & Misc. Income	10009738.00	12334718.03
Rental Charges	350000.00	166000.00
Insurance Claim	0.00	24500.00
Interest received	27332.00	53544.00
Foreign Exchange Income	741311.57	559945.28
Short & Excess	9617.67	0.00
<b>TOTAL</b>	<b>11137999.24</b>	<b>15820346.31</b>
<b><u>SCHEDULE - XIII : INCREASE / DECREASE IN STOCK</u></b>		
Opening Stock		
Finished Goods	36118240.00	36209429.00
Work-In-Progress	2510570.00	2510570.00
<b>TOTAL</b>	<b>38628810.00</b>	<b>38719999.00</b>
Less : Closing Stock		
Finished Goods	5637935.00	36118240.00
Work-In-Progress	2510570.00	2510570.00
<b>TOTAL</b>	<b>8148505.00</b>	<b>38628810.00</b>
<b><u>INCREASE / DECREASE IN STOCK</u></b>	<b>(30480305.00)</b>	<b>(91189.00)</b>
<b><u>SCHEDULE - XIV : RAW MATERIAL CONSUMPTION</u></b>		
Opening Stock	45813164.58	26900101.00
Purchase during the year	525926935.28	508132361.71
<b>TOTAL</b>	<b>571740099.86</b>	<b>535032462.71</b>
Less : Closing Stock	16633287.00	45813164.58
<b>Consumption during the year</b>	<b>555106812.86</b>	<b>489219298.13</b>

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

PARTICULARS	AS AT 31/3/2011 (Rs.)	AS AT 31/3/2010 (Rs.)
<b>SCHEDULE - XV : MANUFACTURING EXPENSES</b>		
Power & Fuel Consumed	212409169.58	112448813.70
Tax on Wrapper (News Prints)	19714.00	0.00
Chemicals Stores & Consumables	436201605.89	321321730.03
<b>TOTAL</b>	<b>648630489.47</b>	<b>433770543.73</b>
<b>SCHEDULE - XVI : PAYMENT AND PROVISION FOR EMPLOYEES</b>		
Salary (Including Director Remuneration NIL ) (Previous Year Director Remuneration Rs. 10,20,000/-)	75029149.44	58620450.94
Wages	25932137.00	25569330.00
Bonus	1191165.00	1259959.00
Gratuity	1936723.00	1415026.00
Leave Encashment	411015.00	261296.00
Employer's Contribution to E .S. I.	2443290.44	1539906.00
Employer's Contribution to E.P. F.	4974485.56	5381162.00
<b>TOTAL</b>	<b>111917965.44</b>	<b>94047129.94</b>
<b>SCHEDULE - XVII : FINANCIAL CHARGES</b>		
Interest on Term Loans	250812687.20	180082175.15
Interest on FITL	24930292.37	8714499.76
Interest on Working Capital Loan	37039830.99	27571032.67
Interest of Car Loan	703298.53	347680.44
Interest Others	602.00	1930223.00
Bank Charges	5780163.48	7815939.39
<b>TOTAL</b>	<b>319266874.57</b>	<b>226461550.41</b>
<b>SCHEDULE - XVIII : ADMINISTRATION &amp; OTHER EXPENSES</b>		
Advertisement Expenses	653739.03	14835582.02
Auditors Remuneration	260000.00	205500.00
Business Promotion	1236900.00	0.00
Books & Periodicals	11480.00	2396.00
Car Expenses	1500.00	30899.00
Commission Paid	3125181.30	347732.00
Charity & Donation	1540.00	0.00
Pooja & Deepawali Expenses	35.00	3856.00
Electricity Expenses	62872719.10	37786047.50
Entertainment/Music Expenses	28108.00	273950.00
Entertainment Tax	177063.00	140666.00
Excise Duty on Capital Goods/Cess on Paper	40414.00	3158.00
Entry Tax	518473.80	730906.00
Freight Outward	14035105.00	9076468.00
ROC Filing Fees	0.00	1000.00

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

<b>PARTICULARS</b>	<b>AS AT 31/3/2011 (Rs.)</b>	<b>AS AT 31/3/2010 (Rs.)</b>
<b>SCHEDULE - XVIII : ADMINISTRATION &amp; OTHER EXPENSES (Contd...)</b>		
Insurance Charges	610256.00	440943.65
Fees & Subscription	19888656.00	256493.00
Legal & Professional Charges	1474303.00	1420957.00
Misc. & General Expenses	1370323.00	2263554.86
Postage	193503.70	107050.22
PhotoCopy Exp.	94000.00	289963.00
Pest Control	483543.00	729665.00
Printing & Stationery	2041041.82	1348796.58
Rates & Taxes	4198695.00	4142072.00
Rebate/Discount & W/off	2100321.20	1236892.12
Rent/Hire Charges	3355242.00	90000.00
Repair & Maintenance General	18994077.82	35220935.50
Sales Promotion	1736859.00	241375.00
Sales Tax Additional Demand	91596.00	318600.00
Scooter Expenses	0.00	16909.00
Service Tax	16637.00	(1404.00)
Share Listing Fees	244812.00	247454.00
Telephone Expenses	2762434.79	1901283.70
Travelling Expenses	3858207.93	655465.70
Conveyance Expenses	560960.07	2415762.80
Vehicle Expenses	1141916.00	245429.00
Diesel Expenses	65400.00	0.00
Water Expenses	6608467.69	219460.54
Water Cess	0.00	685378.00
Glassware Food, Beverages & Paper	6952540.06	466004.38
Guest Supplies Expenses	12706431.14	4128481.87
Horticulture-HK Expenses	4498145.00	402025.00
Kitchen Equipment & Fuel Expenses	10963060.85	8831919.41
Upholstry & Fabrics Expenditure	13187800.01	4479028.18
Linen & Staff Uniforms	5740325.62	8928857.05
Staff Welfare	7402162.74	4283887.71
Staff Training Expenses	512490.00	1820209.00
Flower & Decoration Expenses	14118041.83	820238.74
Security & Safety Expense	2059668.13	2132250.00
Cable TV Expenses	1170978.00	2339187.00
Laundry & Cleaning Expenses	5596280.41	1283149.65
Medical Expenses	333258.00	0.00
Hotel operative Expenses	7735823.00	5911943.41
<b>TOTAL</b>	<b>247819036.04</b>	<b>163758378.59</b>

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## ANNEXED TO BALANCE SHEET AS AT 31-03-2011

### SCHEDULE- XIX : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

##### 2. FIXED ASSETS AND DEPRECIATION

- a) Expenditure of capital nature are capitalised at cost comprising of purchase price (*net of Excise duty, rebates and discounts*) and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All fixed assets are carried at cost less depreciation. But when an asset is scrapped or otherwise disposed off, the cost and related depreciation are written off from the books of accounts and resultant profit or loss, if any is reflected in profit and loss account.

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

- b) In Paper Division Depreciation on fixed assets is provided on the basis of Written down Value method except on Software which is amortised in 5 years. On turbine & Deinking Plant in Paper Division and 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

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

##### 4. INVENTORY VALUATION

- a) Stock of raw materials, stores & spares are valued at purchase cost to the company on first in first out basis.
- b) W.I.P is valued at Rs.2510570/- which includes component of Waste Paper, Chemicals & Stores, Fuel and Other Manufacturing Overheads. Finished goods are valued at cost of production or net realisable value which ever is less. Cost for the purpose of valuation includes raw material consumption, manufacturing expenses and other appropriate overheads there on in accordance with AS-2 (Revised) issued by I.C.A.I.

##### 5. SALES

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

##### 6. MISCELLANEOUS EXPENDITURE

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Miscellaneous Expenditure: Written Off (Paper Division : Relating to IPO)	Nil	Rs. NIL/-
Miscellaneous Expenditure: (Hotel Division)	Nil	Rs.82957039.70 (Transferred to Capital Work In Progress)

# **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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## **7. EXCISE DUTY**

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

## **8. IMPAIRMENT OF ASSETS**

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

## **9. TAXATION**

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

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

## **10. EARNING PER SHARE**

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

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

## **11. PROVISION AND CONTINGENCIES**

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

## **12. RETIREMENT AND OTHER EMPLOYEE BENEFITS**

### **i) Defined Contribution Plan**

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

### **ii) Defined Benefit Plan**

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

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

### **iii) Other Benefits**

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

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

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## (B) OTHER NOTES

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

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	Present Status
Excise Law	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise
	With regard to amount of CENVAT Credit of Rs.828510/- availed from the purchase made by the company, as the question on genuineness of the supplier is raised by the Department of Excise, for which the company has filed an appeal before the Custom Excise Service Tax Appellate Tribunal which was decided in favour of the Company vide order dated 02/06/06. The Commissioner of Custom & Central Excise, Ghaziabad has filed an appeal before Hon. High Court of Allahabad u/s 35-G of Central Excise Act.	828510/-		Hon'ble Allahabad High Court
EPCG License	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 Crore on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.51.06 Crore, this includes Export obligation of Rs. 0.63 Lac for Paper division. 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.			
Income Tax	A Search and seizure operation was conducted on January 18, 2007 by the Income Tax Department u/s 132 of the Income Tax Act, 1961 on the company's administration and production facilities at 18/31 and 18/41, site IV, Industrial Area, Sahibabad, Ghaziabad; and the residence of the promoters at 113/3, Daryaganj, New Delhi & survey operation was conducted u/s 133A of the Income Tax Act, 1961 on the Company's Properties at A-35/1, A-40/2, and 64/6, Site IV, Industrial Area, Sahibabad, Ghaziabad. The Assessment has been completed with addition of Rs. 15.95 Crores. The CIT (Appeal) vide its order dated 13-12-2010 has deleted the addition to the tune of Rs. 15.17 Crore. For the balance addition of Rs. 0.78 Crore, the company has filed an appeal before Hon'ble ITAT, Delhi.			

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

Capital Work in Progress includes advances for capital assets Rs.Nil (previous year 3409843.53)

### 3. REMUNERATION PAID TO AUDITORS:

Particular	Current Year	Last Year
As Statutory Auditors	215000/-	170000/-
Tax Audit Fees	45000/-	35500/-
In other matter	NIL	NIL



# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

- 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.
- During the year company has suffered loss & hence no provision for taxation has been made for the year ended 31.03.2011 in accordance with the provision of Income Tax Act, 1961.
- The accounts of the parties are subject to their respective confirmation
- Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Remuneration Paid	Nil	Rs.1020000/-

## 8. RIGHT ISSUE

The Board of Directors of the company in its meeting held on 13<sup>th</sup> August 2010 had discussed and approved for rising of funds by the Company by way of issue of shares or any other securities.

- 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)

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

Particular	Current Year Qty. In MT	Last Year Qty. In MT
(a) Licensed Capacity	85000	85000
(b) Installed Capacity	N.A	N.A
(c) Production	64173	63930

### II) Turnover, Closing & Opening Stock of Finished Goods

#### PAPER DIVISION

Particular	Qty(Kgs)		Amount In Rs.	
	Current Year	Last Year	Current Year	Last Year
(a) Opening Stock(Paper)	1887331	2074396	36118240	36209429
(b) Closing Stock(Paper)	283812	1887331	5637935	36118240
(c) Sale of Paper	65777272	64117206	1327690473	1092872560

(Sale Include Self Consumption 1084951 Kg. (Previous Year 1079500 Kg.)

#### HOTEL DIVISION

Particular	Qty(Kgs)		Amount In Rs.	
	Current Year	Last Year	Current Year	Last Year
(a) Opening Stock(Hotel)	NA	NA	4496996	1029845
(b) Closing Stock(Hotel)	NA	NA	5503139	4496996
(c) Sale	NA	NA	449993021	2321288

### III) Information in regard to raw material, Stores & Chemical consumed:

Particular	Qty(Kgs)		Amount In Rs.	
	Current Year	Last Year	Current Year	Last Year
(a) Raw Material	72025819	67234394	456866499.38	455977030.78
(b) Stores & Chemical	—	—	436201605.89	321321730.03
(c) Power & Fuel	—	—	212409169.58	112448813.70

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

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

Particular	Value (Rs)		In %	
	Current Year	LastYear	CurrentYear	LastYear
Imported Raw Material	—	183415893	0.00	40.22
Indigenous Raw Material	456866499	272561138	100	59.78
Imported Stores & Chemical	5743484	9808499	1.31	3.05
Indigenous Stores& Chemical	430458121	311513231.03	98.69	96.95

### IV) Information in regard to Foreign Currency Transactions

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

Particular	Current Year (Rs)	Last Year (Rs)
Raw Material	453068	131363552
Chemical & Consumable Spare Parts	6715939	10893247
<b>HOTEL</b>		
Spare Parts (Last Year Health club Items)	41358	2048122

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

Particular	Current Year (Rs)	Last Year (Rs)
Traveling Expenses Paper Division	Nil	Nil
Hotel Division	1173625	205677
	24906 USD	3281 EURO

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

Particular	Current Year (Rs)			Last Year (Rs)		
	Rs.	US \$	Euro	Rs.	US \$	Euro
Earning In Foreign Currency Paper Division	21222790	454548.70	—	4783374	10529.9	—
Hotel Division	As Below					

S. No.	Name of Currency	In Foreign Currency	Current Year Amount in Indian Currency	Last Year In Currency Foreign	Amount in Indian Currency
1	United Arab Emirates Dirham	—	—	600	6960
2	Australian Dollar	—	—	1500	60997.5
3	Canadian Dollar	—	—	320	12985.5
4	Swiss Franc	—	—	850	36155
5	Euro	—	—	7960	505638.5
6	Pound	—	—	715	51659.5
7	Hong Kong Dollar	—	—	500	2700
8	Japanese Yen	—	—	62000	30275.5
9	Malaysian Ringgit	—	—	1360	16863
10	Singapore Dollar	—	—	280	8520
11	US Dollar	498432.99	22395135.06	68218	2987429.25
12	South Africa Rand	—	—	1000	5450
	<b>Total</b>	<b>498432.99</b>	<b>22395135.06</b>		<b>3725633.75</b>

# MAGNUM VENTURES LIMITED

(Formerly known as *Magnum Papers Limited*)

## 10. RELATED PARTY TRANSACTION DISCLOSURE:

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

## 11. SUNDRY CREDITORS:

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

## 12. DEFERRED TAX LIABILITY:

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

Particular	As at 31.03.2011 (Rs)
<b>DEFERRED TAX ASSETS :-</b>	
Provision for gratuity	6769528.00
Leave Encashment	1758745.00
Unabsorbed Depreciation	558247314.00
Unabsorbed Losses	170885847.00
Interest Disallowed	207434582.00
(A)	945096016.00
<b>DEFERRED TAX LIABILITY :-</b>	
Excess of net block as per Companies act over Income tax act	(B) 578542426.00
(A)-(B)	366553590.00
Net Deferred tax Asset as on 31.03.2011	113265059.00
Deferred tax liabilities provided as on 31.3.2010	13717697.00
Deferred tax liabilities (Asset) attributable to Financial Year 2010-11	(126982756.00)

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.

## 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. Interest and other borrowing cost amounting Rs. Nil (Previous year Rs133337754/-) have been capitalised to the carrying cost of fixed assets & Capital Work in Progress

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

## 15. SEGMENT REPORTING

The segment reporting of the company has been prepared in accordance with Accounting Standard – 17 'Accounting for Segment Reporting' issued by Institute of Chartered Accountants of India.

### Primary –

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

# MAGNUM VENTURES LIMITED

(Formerly known as Magnum Papers Limited)

## SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars		Paper Division	Hotel Division	Total
Segment wise Revenue				
External Revenue	2011	1327690473	449993021.3	1777683494
	2010	1139189377	232128829.7	1371318207
Segment wise Results				
Segment Result	2011	(-)214336514.37	(-)197013745.67	(-)411350260.04
	2010	(-)143199796.62	(-)151573755.64	(-)294773552.26
Segment wise Assets	2011	2520996100	1091042889	3612038989
	2010	2529863762	1288030497	3817894259
Segment wise Liabilities	2011	143508306.7	32527221.84	176035528.6
	2010	99525533.58	20152544.02	119678077.6
Fixed Assets Addition	2011	22513672.43	19273454.92	41787127.35
	2010	15321414.23	1311545309	1326866723
Depreciation	2011	154439641	85796364.6	240236005.6
	2010	178021903.6	50225294.87	228247198.5

### Geographical Segment

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

16. Sundry Debtors and creditors are subject to the confirmations
17. Note to Schedule III of the Balance Sheet (Security for the Term Loans & Working Capital)

### Paper Division

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

### Hotel Division

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

## **MAGNUM VENTURES LIMITED**

*(Formerly known as Magnum Papers Limited)*

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### **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.

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.

Schedule I to XIX form an integral part of the Balance Sheet as at 31<sup>st</sup> March -2011 and have been authenticated as such.

As per our report of even date

**For SUNIL K. MITTAL & CO.**

Chartered Accountants

Firm Reg No 008524N

Sd/-

**(SUNIL KUMAR JAIN)**

Proprietor

For and on behalf of the Board of Directors

Sd/-

**(PRADEEP KUMAR JAIN)**

Managing Director

Sd/-

**(ABHEY JAIN)**

Director

Sd/-

**(RAVI SHANKER TIWARI)**

Company Secretary

Place : New Delhi

Date : 27th May, 2011

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

Financial Year 2010-11

Annexure referred to in note No.10 of the notes forming part of accounts.

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 31.03.2010	218086839.55	51190758.58
2.	Salary	20000.00	40000.00

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

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

**MAGNUM VENTURES LIMITED***(Formerly known as Magnum Papers Limited)***CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2011**

Particulars	2010-11		2009-10	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>CASH FLOW FROM OPERATIONS</b>				
A) Profit before Taxation		(411350260.04)		(294773552.26)
B) Adjustments				
<b>ADD</b>				
i Depreciation	240236005.60		228247198.46	
ii Interest expenses	313486711.09		218645611.02	
iii Profit on sale of fixed assets	0.00		(2681639.00)	
iv Provision for Gratuity	1384145.00		792921.00	
v Provision for leave Encashment	86721.00		19101.00	
vi Provisions for Bonus	(73934.00)		19996.00	
<b>Less</b>				
Interest income	27332.00		53544.00	
		<b>555092316.69</b>		<b>444989644.48</b>
		<b>143742056.65</b>		<b>150216092.22</b>
Operating profit before working capital changes				
C) (Increase)/ Decrease in Current Assets				
i Inventories	36335926.58		(66149560.58)	
ii Sundry Debtors	(64209862.66)		1203405.85	
iii loans & advances	30317459.60		(48255499.50)	
<b>Increase / (Decrease) in Current Liabilities</b>				
i Sundry Creditors	47917421.94		(82312529.89)	
ii Advance from Customers	704385.64		1733714.92	
iii Expenses Payable	6338711.37		(544887.41)	
iv other liability	29702000.00		50182726.00	
v Miscellaneous expenses incurred	(224284.00)		0.00	
		<b>86881758.47</b>		<b>(144142630.61)</b>
Cash generated from operations		<b>230623815.12</b>		<b>6073461.61</b>
Wealth tax paid	16673.00		0.00	
Income tax & FBT	0.00		82903.00	
		<b>(16673.00)</b>		<b>(82903.00)</b>
<b>NET CASH FROM OPERATIONS</b>		<b>230607142.12</b>		<b>5990558.61</b>

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

Particulars	2010-11		2009-10	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>INVESTING ACTIVITIES</b>				
i Additions to Capital work in progress	3409843.53		1237998978.49	
ii Additions to fixed assets	(39401028.35)		( 1326866723.32)	
iii Increase in investment	0.00		0.00	
iv Interest Income	27332.00		53544.00	
v Sale of fixed assets	0.00		13553117.96	
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(35963852.82)</b>		<b>(75261082.87)</b>	
<b>FINANCING ACTIVITIES</b>				
i Issue of Equity Shares	0.00		0.00	
ii Increase in Share Premium	0.00		0.00	
iii Decrease in Investments	0.00		0.00	
iv Borrowings	119676496.31		283683595.60	
v Interest Paid	(313486711.09)		(218645611.02)	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(193810214.78)</b>		<b>65037984.58</b>	
Net Change in cash and cash equivalents (A+ B + C)	<b>833074.52</b>		<b>(4232539.68)</b>	
Cash and cash equivalents at the beginning of the period (See Note-1)	<b>7472778.42</b>		<b>11705318.10</b>	
Cash and cash equivalents at the end of the period (See Note-1)	<b>8305852.94</b>		<b>7472778.42</b>	

**Notes to Cash Flow Statement :-**

1.00 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.

	2010-11	2009-10
Cash in hand	1050337.00	1082596.00
FDR with the Bank	808899.00	0.00
Balance with scheduled banks in current accounts	6446616.94	6390182.42
	<b>8305852.94</b>	<b>7472778.42</b>



# MAGNUM VENTURES LIMITED

Regd. Office : "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002

## ATTENDANCE SLIP

Regd. Folio No: ..... \*\*D.P.I.D : .....

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

### 31th ANNUAL GENERAL MEETING – 27<sup>TH</sup> SEPTEMBER, 2011

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

I hereby record my presence at the **31st Annual General Meeting** of the Company held on Tuesday, 27th September, 2011 at 1.00 p.m. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002.

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

.....  
\*Member's / Proxy's Signature

#### Note:

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

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



# MAGNUM VENTURES LIMITED

Regd. Office : "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002

## PROXY FORM

Regd. Folio No: ..... \*\*D.P.I.D : .....

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

### 31th ANNUAL GENERAL MEETING – 27<sup>TH</sup> SEPTEMBER, 2011

I/We.....of..... being a member/members of Magnum Ventures Limited, hereby appoint.....of..... or failing him/her..... of..... as my/our Proxy to attend and vote for me/us on my/our behalf at the **31st Annual General Meeting** of the Company to be held on Tuesday, 27<sup>th</sup> September, 2011 at 1.00 p.m. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002, and at any adjournment thereof.

Signed this.....day of.....2010

Signature.....

Affix  
Revenue  
Stamp

#### Note:

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at "Magnum House", 3/4326, Ansari Road, Daryaganj, New Delhi - 110 002, not less than 48 hours before the scheduled time of the meeting.

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





## BOOK POST

If undelivered, please return to :-

**MAGNUM VENTURES LIMITED**

**Regd. Office :** "Magnum House", 3/4326, Ansari Road,  
Daryaganj, New Delhi - 110 002