

**32<sup>nd</sup> ANNUAL REPORT**  
**2011 - 2012**

**MAGNUM VENTURES LIMITED**

SAHIBABAD GHAZIABAD (U.P.)

**MAGNUM VENTURES LIMITED**

**32<sup>nd</sup> ANNUAL REPORT - 2012**

**BOARD OF DIRECTORS**

<b>Pradeep Kumar Jain</b>	<i>Managing Director</i>
<b>Abhey Kumar Jain</b>	<i>Whole-time Director</i>
<b>Parmod Kumar Jain</b>	<i>Director</i>
<b>Praveen Kumar Jain</b>	<i>Director</i>
<b>Subash Oswal</b>	<i>Director</i>
<b>Rakesh Garg</b>	<i>Director</i>
<b>Naveen Jain</b>	<i>Director</i>
<b>Shri Krishan Jain</b>	<i>Director</i>
<b>Kamal Prasad</b>	<i>Nominee-Director</i>

**COMPANY SECRETARY**

**Anant Prakash**

**CHARTERED ACCOUNTANTS**

**Sunil K. Mittal & Co.**

*Chartered Accountants,*

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

**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

**REGISTERED OFFICE**

685, Chitla Gate, Chawri Bazar  
Delhi - 110 006

**REGISTRAR AND TRANSFER AGENT**

**MAS Services Limited**

T-34, IInd Floor, Okhla Industrial Area,

Phase-II, New Delhi 110 020

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 Shrawan Mangla

**CONTACT DETAILS**

Phone No. : 91-0120-4199200 (100 lines)

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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 32<sup>nd</sup> 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 5312 Lacs during the fiscal year 2011-12 against Rs. 4521 Lacs during the fiscal year 2010-11. Growth in Gross Turnover is 17.5%. With revenue of Rs. 5312 Lacs Hotel Unit made operating profit of Rs. 122.88 Lacs during the current year.

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, 2011- March, 2012 has been 65185 MT. The company earned gross revenue of Rs 14404 Lacs from its Paper unit during the fiscal year 2011-12 against Rs. 13277 Lacs during the fiscal year 2010-11. Your company's paper unit has posted an operating loss of Rs. 117.28 Lacs as on 31st March 2012.

Depreciation of Rs. 2225.43 Lacs and Interest accrued Rs. 4091.93 Lacs during the year forced the company to suffer loss of Rs. 2035.60 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 in coming years.

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

With best wishes,

Sd/-

**Salek Chand Jain**  
Founder Chairman

## NOTICE

**Notice** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of the Company will be held on Thursday, 27<sup>th</sup> September, 2012 at 3:00 P.M. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002 to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 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. Shri Krishan Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rakesh Garg, 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.

**There is no Special Business.**

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

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

Date: 30<sup>th</sup> August, 2012  
Place: Delhi

**Notes:**

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

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

**C. Members/Proxies** 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 Monday, 24th September, 2012 to Thursday, 27th September, 2012 (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.** The information required to be provided under the Listing Agreement entered in to by the Company with the Stock Exchanges regarding the Directors proposed to be re-appointed is given in the Corporate Governance Report attached with the Directors' Report.

## DIRECTORS' REPORT

**Dear Members**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2012. The financial highlights for the year under review are given below:

### FINANCIAL HIGHLIGHTS

*(Amount Rs. in lacs)*

<b>Particulars</b>	<b>Financial Year ended 31st March, 2012</b>	<b>Financial Year ended 31st March, 2011</b>
Total Income	19,715.94	17116.27
Total Expenditure	22681.66	21229.77
Profit /(Loss) before tax	-2965.72	-4113.50
Provision for tax	NIL	NIL
Wealth Tax	NIL	0.17
Income Tax for Earlier Years	NIL	NIL
Provision for Deferred Tax Liabilities	-930.12	-1269.83
Profit after tax	-2035.60	-2843.84
Balance b/f from Last Year	-2113.78	730.06
Balance Carried to Balance Sheet	-4149.38	-2113.78
Transfer to Reserve	NIL	NIL
Paid-up Share Capital	3760.19	3760.19
Reserves and Surplus (excluding revaluation reserve)	-281.57	1754.04
Earning per share	-5.41	-7.56

### YEAR IN RETROSPECT

During the year under review, total income of the Company was Rs. 19,715.94 Lacs as against Rs. 17116.27 Lacs in the previous year. Depreciation of Rs. 2225.43 Lacs and Interest accrued Rs. 4091.93 Lacs during the year forced the company to suffer loss of Rs. 2035.60 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. High Competition and low operating Margin.

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

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

### SEGMENTS

#### **PAPER DIVISION**

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

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

- a) Duplex Board
- b) Newsprints

### **Benefits of Manufacturing Newsprints**

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

As per the separate Books of Account maintained by the company for Duplex Board (Excisable) and Newsprints (Exempted), results from the Newsprints manufacturing and sale achieved by the company during the Fiscal year 2010-11 and 2011-12 are as under:

(In MT)

<b>Particular</b>	<b>2010-11</b>	<b>2011-12</b>
Production	5117.44	19406.98
Sale	5058.28	19439.21

### **HOTEL DIVISION**

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

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

The Company is maintaining separate records for WING I and WING II, the financial results of the company for the year 2010-11 and 2011-12 are as under:

(In Rs. Lacs)

<b>Particular</b>	<b>2010-11</b>	<b>2011-12</b>	<b>%age Increase</b>
Gross Revenue	4521	5312	17.49
EBIDTA	589	2106	257.55

### **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-31st March, 2012 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 the financial year 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 31st March, 2012.

### **PUBLIC DEPOSITS**

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

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

**A. Conservation of Energy:** The Company is aware about energy consumption and environmental issue related to it and is continuously making sincere efforts towards conservation of energy. The Company is in fact engaged in the continuous process of further energy conservation through improved operational and maintenance practices. Information 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:**

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

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

<b>Total Foreign Exchange Inflow</b>	<b>989.44</b>
<b>Total Foreign Exchange outflow</b>	<b>230.29</b>

## 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

Since the last Annual General Meeting, no director has been appointed.

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

The tenure of Mr Parmod Kumar Jain as Whole-Time Director of the company ended on 31st December, 2011. The board in its meeting held on 14<sup>th</sup> November, 2011 decided not to re-appoint him as whole time director as a consequence his designation changed from Whole-Time Director to Director with effect from 1<sup>st</sup> January, 2012.

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 in 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.

## CORPORATE GOVERNANCE

We believe that good and effective Corporate Governance is more of an organizational culture than a mere adherence to rules. Laws alone cannot bring changes and transformation and voluntary compliance



both in form and in substance plays an important role in developing system of good Corporate Governance.

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

The Company is in compliance of all mandatory requirement of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. For the year ended March 31, 2012, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Munish K Sharma, Company Secretary in Practice on confirming compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges forms part of Report on Corporate Governance as Annexure - II.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 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 2012-13 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: 30th August, 2012  
Place: Delhi

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

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

**FORM A**  
(See Rule 2)

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

**A. Power and fuel consumption**

**1. Electricity**

**(a) Purchased**

	<b>Current year (2011-12)</b>	<b>Previous year (2010-11)</b>
Unit	5734680	Nil
Total Amount	26253409	Nil
Rate/unit	4.58	Nil

**(b) Own generation**

**(i) Through diesel generator**

Unit	38682260	40304766
Units per ltr. of diesel oil	3.00	3.00
Cost/units	4.84	4.40

**(ii) Through steam turbine/generator**

Units	Nil	Nil
Units per ltr. of fuel oil/gas	Nil	Nil
Cost/unit	Nil	Nil

**2. Coal (Used for production of Paper)**

**Particulars**

Quantity	65243.74 MT	55554.07 MT
Total cost	3183.14 Lacs	2021.62 Lacs
Average rate	4878.85 MT	3639.01 MT

**3. Furnance oil**

Quantity	Nil	Nil
Total amount	Nil	Nil
Average rate	Nil	Nil

**4. Fuel other than Coal - Diesel (Used for production of Paper)**

Quantity	298.00 MT	300.00 MT
Total cost	110.97 Lacs	102.47 Lacs
Rate/unit	37238.05	34157.37

**B. Consumption per unit of production**

	<b>Standards (if any)</b>	<b>Current year</b>	<b>Previous year</b>
		1	2
<b>Production Kg.</b>		<b>65185464</b>	<b>64173851</b>
Electricity (per kg.)		3.02	2.67
Furnance oil		Nil	Nil
Coal (per kg.)		4.88	3.15
Others (specify)		Nil	Nil

**Form B**  
(See Rule 2)

Form for disclosure of particulars with respect to absorption

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

## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

### 2. BOARD OF DIRECTORS

The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Company has total 9 (nine) directors on the Board as on 31st March, 2012. Mr. Pradeep Kumar Jain is the Managing Director of the Company and Mr. Abhey Jain is the Whole-Time Director of the Company.

Name of the Director & Designation	Category	No. of positions held in other public companies		
		Board	Committee	
			Membership	Chairmanship
Mr Pradeep Kumar Jain Managing Director	Executive & Promoter	Nil	Nil	Nil
Mr Abhey Kumar Jain Whole-Time Director	Executive & Promoter	Nil	Nil	Nil
Mr Parmod Kumar Jain Director	Executive & Promoter	Nil	Nil	Nil
Mr Praveen Kumar Jain Director	Executive & Promoter	Nil	Nil	Nil
Mr Subhash Oswal Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Shri Krishan Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Rakesh Garg Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Naveen Jain Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Kamal Prasad Nominee Director	Non-Executive & Independent	Nil	Nil	Nil

### **Directors' Attendance Record**

During the Financial Year 2011-12, 7 (Seven) meetings of the Board of Directors were held on 27.05.2011, 25.06.2011, 11.08.2011, 24.10.2011, 14.11.2011, 26.11.2011 and 14.02.2011. 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 2011-12 are as under:

Name of the Director	No. Of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Abhey Kumar Jain	7	7	Yes
Mr Pradeep Kumar Jain	7	7	Yes
Mr Parmod Kumar Jain	7	6	Yes
Mr Praveen Kumar Jain	7	0	No
Mr Subhash Oswal	7	7	Yes
Mr Shri Krishan Jain	7	7	No
Mr Rakesh Garg	7	7	Yes
Mr Naveen Jain	7	7	Yes
Mr Kamal Prasad	7	5	No

### 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. Shri Krishan Jain	Mr. Rakesh Garg
DIN	00365462	02683693
Father's Name	Gopi Ram Jain	Ishwar Chand
Date of Birth	01.04.1954	18.02.1964
Address	30, Kapil Vihar, Pitampura, Delhi-110034	B175 (SF - B-Block, Ashok Vihar, PH-I, Delhi-110052
Designation	Director	Director
Education	B.Com & FCA	B.Com
Experience	17 yrs.	34 yrs.
Companies in which holds Directorship	Nil	Nil
Companies in which holds membership of Committees	Nil	Nil
Shareholding in the Company (No. & %)	Nil	Nil

### 3. AUDIT COMMITTEE

#### (a) Terms of Reference

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

- i. To review financial reporting process, all financial statements.

ii. To recommend appointment/ re-appointment/ replacement/ removal/ Audit fees/ any other fees of Statutory Auditors.

iii. Reviewing along with management, the listing compliances, related party disclosures, qualifications in draft Audit Report, matters required to be included in Directors Responsibility Statement, quarterly financial statements before its submission to the Board, changes in accounting policies, major accounting entries based on estimate of management.

iv. To look into all matters relating to internal control system, internal audit system and the reasons for substantial defaults in the payment to the depositors.

v. To review functioning of “Whistle Blower Mechanism”, if any.

vi. To review Management Discussion and Analysis of financial condition and results of operation, statement of significant Related Party Transactions as submitted by management, internal audit report, term of chief internal auditor (including his remuneration).

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

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

1. Mr. Shri Krishan Jain- Chairman (Independent Director)

2. Mr. Rakesh Garg- Member (Independent Director)

3. Mr. Naveen Jain – Member (Independent Director)

During the year, Mr. Ravi Shankar Tiwari was the Secretary of the committee but he resigned from the Company on 24<sup>th</sup> October, 2011. On 1<sup>st</sup> December, 2011, Ms. Vidhi Gupta was appointed as the Secretary of the committee; however, she also resigned from the Company w.e.f. 31<sup>st</sup> March, 2012.

Presently Mr. Anant Prakash is the Secretary of the committee w.e.f. 23<sup>rd</sup> April, 2012.

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

The Committee met four (4) times during the Financial Year 2011-2012 on the following dates: 27.05.2011, 11.08.2011, 14.11.2010 and 14.02.2012. Details of attendance of Directors in the Audit Committee meetings are as under:

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

#### **4. INVESTORS' GRIEVANCE COMMITTEE**

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

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

##### **(ii) Composition:**

The Investors’ Grievance Committee comprised of the following directors:

1. Mr. Shri Krishan Jain- Chairman (Independent Director)

2. Mr. Rakesh Garg- Member (Independent Director)

3. Mr. Naveen Jain – Member (Independent Director)

During the year, Mr. Ravi Shankar Tiwari was the Secretary of the committee but he resigned from the Company on 24<sup>th</sup> October, 2011. On 1<sup>st</sup> December, 2011, Ms. Vidhi Gupta was appointed as the Secretary of the Committee; however, she also resigned from the Company w.e.f. 31<sup>st</sup> March, 2012.

Presently Mr. Anant Prakash is the Secretary of the committee w.e.f. 23<sup>rd</sup> April, 2012.

(iii) Mr. Anant Prakash is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the year, one complaint was received from Mr. M.L. Wadhwa (shareholder) which is still pending. We have already resolved the issue but pending in the hands of Registrar of the Companies. The detail of complaint is as follow:

Name of the Complainant	Address	Nature of Complaint	Remarks
Mr. M.L. Wadhwa	B-4, Bholanath Nagar, Main Road, Near Chotteylal Mandir, Shahdara, Delhi	Non receiving of Notice Convening AGM and Annual Report for the tear 2010-11	We have responded twice to Mr. M.L. Wadhwa as well as ROC and provided the copy of Notice, Annual Report, Minutes of the AGM for the year 2010-11 and Memorandum & Articles of Association of the Company vide letter dated 2 <sup>nd</sup> February, 2012 and 22 <sup>nd</sup> March, 2012. But the issue is still pending in the hands of ROC.

#### (v) Attendance

The Committee met four (4) times during the Financial Year 2011-2012 on the following dates: 30.05.2011, 16.08.2011, 18.11.2011 and 17.02.2012. Details of attendance of Directors in the Investors' Grievance Committee meeting are as under:

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

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

## 5. REMUNERATION COMMITTEE

### (a) Terms of Reference

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

**(b) Composition**

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

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

During the year, Mr. Ravi Shankar Tiwari was the Secretary of the committee but he resigned from the Company on 24<sup>th</sup> October, 2011. On 1<sup>st</sup> December, 2011, Ms. Vidhi Gupta was appointed as the Secretary of the Committee; however, she also resigned from the Company w.e.f. 31<sup>st</sup> March, 2012.

Presently Mr. Anant Prakash is the Secretary of the committee w.e.f. 23<sup>rd</sup> April, 2012.

**(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 2011-2012.

**(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 2011-12 except sitting fee for attending Board and Committee meetings.

**(e) Details of the Directors' Remuneration for the financial year ended 31st March, 2012**

Name of Director	Salaries & Perquisites (in Rs.)	Commission, Bonus Ex-gratia (in Rs.)	Sitting Fees (in Rupees)	Total Amount (in Rs.)	No. of Shares held & %
Mr. Abhey Kumar Jain Whole-Time Director	Nil	Nil	Nil	Nil	16648510 (44.28%)
Mr. Pradeep Kumar Jain Managing Director	Nil	Nil	Nil	Nil	200650 (0.53%)
Mr. Parmod Kumar Jain Whole-Time Director	Nil	Nil	Nil	Nil	200150 (0.53%)
Mr. Praveen Kumar Jain Director	Nil	Nil	Nil	Nil	302600 (0.80%)
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. Kamal Prasad Nominee Director	Nil	Nil	Nil	Nil	NIL

## **6. GENERAL BODY MEETINGS**

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
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 Area, Lodhi road, New Delhi-110 003	02:30 P.M.	1
2011	27.09.2011	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	01:00 P.M.	1

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2009	29.09.2009	NIL
2010	17.09.2010	Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.
2011	27.09.2011	Approval of the members under section 81 of the Companies Act, 1956 for further issue of shares or any other securities of the Company.

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) & Jansatta(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

## 10. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Day & Date	Time	Venue
Thursday, 27 <sup>th</sup> September, 2012	03:00 P.M.	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi - 110002

### ii) Financial Calendar

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

iii) **Dates of Book Closure** : 24<sup>th</sup> September, 2012 to 27<sup>th</sup> September, 2012 (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 2011	7.85	6.75	13,79,191
May 2011	7.39	6.00	6,79,353
June 2011	6.97	4.87	7,27,345
July 2011	6.10	5.10	4,34,280
August 2011	5.60	4.35	5,79,911
September 2011	5.70	4.20	3,30,366
October 2011	5.40	4.15	4,05,117
November 2011	5.24	3.60	6,00,561
December 2011	4.45	2.46	6,39,620
January 2012	4.54	2.90	5,18,739
February 2012	4.63	4.74	5,77,332
March 2012	5.00	3.55	7,43,502

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

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

Month	High	Low	Volume
April 2011	7.9	6.55	204,684
May 2011	7.05	6.00	104,629
June 2011	6.65	4.95	120,584
July 2011	6.40	5.00	96,047
August 2011	5.65	4.25	119,860
September 2011	5.40	4.00	91,415
October 2011	5.20	4.00	105,260
November 2011	5.70	3.60	149,344
December 2011	4.45	2.55	220,749
January 2012	4.60	2.95	125,863
February 2012	4.70	3.90	79,905
March 2012	4.95	3.45	114,061

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

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

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

The Company's 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 31st March 2012:**

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% in Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto 5,000		9844	70.541	21338580	5.675
5,001	10,000	1944	13.93	17171160	4.567
10,001	20,000	1005	7.202	16122480	4.288
20,001	30,000	395	2.831	10484070	2.788
30,001	40,000	157	1.125	5717030	1.52
40,001	50,000	192	1.376	9245670	2.459
50,001	1,00,000	224	1.605	16842390	4.479
1,00,001 and above		194	1.39	279097460	74.224
<b>Total</b>		<b>13955</b>	<b>100</b>	<b>376018840</b>	<b>100</b>

**x) De-materialization of shares and liquidity:** As on 31st March, 2012 about 100% of the Company's equity shares had been dematerialized except 9 equity shares (not belonging to promoters). Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in de-mat mode.

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

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

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

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

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

**Corporate Office:**

Magnum Ventures Limited

Plot No. 18/41,

Site-IV, Industrial Area,

Sahibabad, Ghaziabad 201 010

Uttar Pradesh

Phone: 0120- 4199200 (100 lines)

Fax: 0120- 4199234

e-mail: magnumventures@gmail.com

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

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

**CEO/CFO CERTIFICATION**

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

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: 30<sup>th</sup> August, 2012

Place: Delhi

Sd/-

**Pradeep Kumar Jain**

Managing Director

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Magnum Ventures Limited for the year ended on 31st March, 2012 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, except the following, 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.

<b>Name of the Complainant</b>	<b>Address</b>	<b>Nature of Complaint</b>	<b>Remarks</b>
Mr. M.L. Wadhwa	B-4, Bholanath Nagar, Main Road, Near Chotteylal Mandir, Shahdara, Delhi	Non receiving of Notice Convening AGM and Annual Report for the year 2010-11	The Company has responded twice to Mr. M.L. Wadhwa as well as RoC and provided the copy of Notice, Annual Report and Minutes of the AGM for the year 2010-11 and Memorandum & Articles of Association of the Company vide letter dated 2 <sup>nd</sup> February, 2012 and 22 <sup>nd</sup> March, 2012. But the issue is still pending in the hands of RoC.

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: 30<sup>th</sup> August, 2012  
Place: Ghaziabad, U.P.**

**Sd/-  
CS Munish K. Sharma  
Proprietor  
Munish K Sharma & Associates  
FCS: 6031      CP: 6460**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **CAUTIONARY STATEMENT:**

Management's discussion and analysis report contain forward looking statements based on the certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to the Management perceptions. 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 ('SEBI'), the Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable.

The Company does not undertake to make any announcement in case any of these forward looking Statements become materially incorrect in future or any update made thereon.

### **OVERVIEW:**

The Company was incorporated on May 29, 1980 as MAGNUM PAPERS LIMITED and was taken over in 1984 with the new name as **MAGNUM VENTURES LIMITED**. In September 20, 2007, Magnum made an Initial Public Offer and is currently listed at National Stock Exchange of India Limited. ('NSE') and Bombay Stock Exchange Limited ('BSE').

Magnum is ideally located at Sahibabad, Ghaziabad (Uttar Pradesh) the (NCR region hardly 15 KM from the heart of Delhi i.e. Connaught Place, New Delhi). The Company is having large infrastructures 65000 Square Meter and Five Lacs Square feet Building Area in Sahibabad Industrial Area, Ghaziabad (Uttar Pradesh).

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

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

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

#### **Paper Industry**

The Indian paper industry is said to be growing in the line with the GDP of the country. While keeping a optimistic approach and given the expansions which had taken place in recent couple of years which have been more or less absorbed too, the paper industry seems to be growing in almost digits. Keeping the optimism along with the challenges, the Indian paper industry has grown in the past and now the

industry has to have a planned growth path so as to overcome the challenges of raw material availability, manpower, short term over capacity situation, environmental foot print etc.

### **Hotel Industry**

The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and boutique and hotels. The occupancy and the room rates have seen continued gains both from the domestic and the international traveller in both the business and leisure segment.

The government has stepped up various reforms to accelerate the industry growth with liberalisation in the regulatory framework, investment friendly schemes, extensive support for creating a world class infrastructure, initiating better air and land connectivity, incentivising regional set-up in tier III and IV cities, exploring the untapped geographical resources. The government is focusing on the PPP and is looking beyond the traditional tourism avenues and on to new initiatives –tourism, sports and adventure tourism, religious circuit, wildlife safaris, rural tourism, eco-tourism, cruise tourism and wellness tourism.

## **SWOT ANALYSIS**

### **STRENGTHS:**

#### **Paper Industry**

India produces many varieties of papers, namely printing and writing paper, packaging paper, coated paper and some speciality paper. Varieties under printing and writing paper are creme wove paper, super printing paper, maplitho paper (non surface and surface size), copier paper, bond paper and coating base paper and others. There are approximately 600 paper mills in India, of which twelve are major player.

Paper in India is made from 40 per cent of the hardwood and bamboo fibre, 30 per cent of the agro waste and 30 per cent from recycled fibre. Newsprint and publication paper account for 2 million tonnes, of which 1.2 million tonnes of newsprint paper is manufactured in India and the remaining 0.8 million tonne is imported.

Indian paper industry can be more competitive by adding improvements of key ports, roads and Indian railways and communication facilities, revision of forest policy is required for wood based paper industry so that plantation can be raised by industry, cooperatives of farmers, and state government. Degraded forest land should be made available to the industry for raising plantations.

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

#### **Hotel Industry**

A very wide variety of hotels is present in the country that can fulfill the demand of the tourists. There are international players in the market such as Taj and Oberoi & International Chains. Thus, the needs of the international tourist's travellers are met while they are on a visit to India. India offers a readymade tourist destination with the resources it has. Thus the magnet to pull customers already exists and has potential grow.



## **WEAKNESSES:**

### **Paper Industry**

Paper industry has typically been viewed in a poor light due to its dependence on natural resources especially wood for making pulp and paper. One of the Major challenges the pulp and paper industries faces today is to create a cleaner image in the mind of consumers by adopting environment friendly practices to produce paper and reduce its impact on the environment.

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

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

### **Hotel Industry**

The cost of land in India is high at 50% of total project cost as against 15% abroad. This acts as a major deterrent to the Indian hotel industry. The hotel industry in India is heavily staffed. This can be gauged from the facts that while Indian hotel companies have a staff to room ratio of 3:1, this ratio is 1:1 for international hotel companies.

High tax structure in the industry makes the industry worse off than its international equivalent. In India the expenditure tax, luxury tax and sales tax inflate the hotel bill by over 30%. Effective tax in the South East Asian countries works out to only 4-5%. Only 97,000 hotel rooms are available in India today, which is less than the Bangkok hotel capacity. The services currently offered by the hotels in India are only limited value added services. It is not comparable to the existing world standards.

## **OPPURTUNITIES:**

### **Paper Industry**

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

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

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

### **Hotel Industry:**

Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between September to March

when the climatic conditions are suitable where as the national tourist waits for school holidays, generally the summer months. In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography.

For India, the inbound tourists are a mere 0.49% of the global figures. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.

## **THREATS:**

### **Paper Industry**

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

### **Hotel Industry**

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

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

## **HUMAN RESOURCE**

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

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

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

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

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

The company has an audit committee which oversees the adequacies of the system of the internal control and report to the board. All the above business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

## CONSTITUTION OF FIRE & SAFETY COMMITTEE

Your Company has constituted a high powered committee namely Fire & Safety Committee. The composition of the Committee is as follows:

Name	Designation
Mr. Rajpal Singh Tyagi (Retired Chief Fire Officer, U.P.)	Chairman
Mr. Ravinder Thakur (Director-Security)	Member
Mr. Ranjit Singh (Deputy Chief Engineer)	Member
Mr. S.P. Chaturvedi (Factory Manager)	Member

Your Company has engaged an outside expert as head of the committee namely Mr. Rajpal Singh Tyagi. Mr. Tyagi is the Retired Chief Fire Officer, Uttar Pradesh having rich experience of 45 years in Fire & Safety area.

The Committee is responsible to review existing system, recommend and implement further measures to improve industrial and fire safety for paper mill and hotel complex. The committee will also be responsible to see that both premises meet the best of industrial and fire safety standards. Further, any lapse in industrial and fire safety and any unpleasant incident shall be the responsibility of committee and committee shall also be answerable to government authorities and stakeholders. The committee will have sufficient power to discharge its' duties effectively and efficiently.

## PRODUCT WISE PERFORMANCE

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

### SALES

PRODUCT	Current Year (2011-12)		Previous Year (2010-11)	
	Quantity (Kgs)	Value (Amt in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	65016605	1477276422	65777272	13227690473
Hotel division	NA	529793562	NA	449993021

# Sunil K. Mittal & Co

CHARTERED ACCOUNTANTS

8-D, HANSALYA, 15, BARAKHAMBA ROAD, NEW DELHI-110001

Telefax: 23358616, 23358617, 23716601.

e-mail: caskmittal@rediffmail.com

## 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 31.03.2012 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, 2012 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, 2012 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 , 2012;
- b) in the case of Profit & Loss Account, of the Loss for the period ended on 31<sup>st</sup> March 2012; and
- c) in the case of the cash flow statement, of the cash flows for the period ended on 31<sup>st</sup> March 2012.

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

**Place: New Delhi.  
Dated: 29/05/2012**

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

# Sunil K. Mittal & Co

CHARTERED ACCOUNTANTS

8-D, HANSALYA, 15, BARAKHAMBA ROAD, NEW DELHI-110001

Telefax: 23358616, 23358617, 23716601.

e-mail: caskmittal@rediffmail.com

## ANNEXURE TO AUDITOR'S REPORT

### **MAGNUM VENTURES LIMITED**

(Previously Known as Magnum Papers Limited)

#### **AUDITOR'S REPORT UNDER CARO 2003 FOR THE YEAR ENDED 31.3.2012**

i) In respect of its fixed assets:

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) 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.
- c) 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:

- a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) 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.
- c) 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 Outstanding	Closing Balance (Cr)
1	Abhey Jain	57,40,817.00	68,59,182.74	50,00,000.00
2	Asha Jain	40,510.00	25,80,243.69	25,80,243.69
3	Monika Jain	2,50,00,000.00	2,50,77,654.95	2,49,21,654.95
4	Pardeep Kumar Jain	1,00,00,000.00	2,11,80,905.53	1,73,80,905.53
5	Rishab Jain	33,619.83	21,71,203.04	21,71,203.04
6	Rita Jain	27444.34	14,01,998.11	14,01,998.11
7	Veena Jain	40272.96	31,08,532.54	19,08,532.54

b) The Company has not granted unsecured loan to parties covered under section 301 of the Companies Act 1956.

c) Being the term of repayments have not been stipulated, we are unable to comment whether the repayment of principal amount is regular or not.

d) 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.
- ix) In respect of statutory dues:  
According to the records of the company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service tax, Sales Tax, Custom Duty, and Excise Duty were in arrears, as at 31.03.2012 for a period more than six months from the date, they became payable.

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

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

- x) In our opinion there is no accumulated loss of the company. The Company has not incurred any cash losses (EBIDTA) during the period covered by our audit and the immediately preceding financial year.
- xi) According to the records of the company examined by us and the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution or Bank.

- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, so the question of maintenance of records does not arise.
- xiii) In our opinion, the company is not a chit fund or nidhi/mutual benefit fund society. Hence this clause is not applicable to the Company
- xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not Applicable to the Company
- xv) According to the information and explanations 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**

**Place: New Delhi.  
Dated: 29/05/2012**

**(Sunil Kumar Jain)  
Proprietor  
Membership No. 84125**



**MAGNUM VENTURES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

PARTICULARS	Note No.	For the Year ended as on 31.03.2012	For the Year ended as on 31.03.2011
1	2	3	4
<b>EQUITY AND LIABILITIES</b>			
<b><u>Shareholders' funds</u></b>			
Share capital	1	37,60,18,840.00	37,60,18,840.00
Reserves and surplus	2	-2,81,56,582.18	17,54,03,612.00
<b><u>Non-current liabilities</u></b>			
Long-term borrowings	3	2,60,76,49,297.73	2,55,26,23,510.50
Other Long Term Liabilities	4	5,47,57,444.20	10,17,353.20
Long Term Provisions	5	1,13,09,396.00	85,28,273.00
<b><u>Current Liabilities</u></b>			
Short Term Borrowings	6	53,94,00,278.95	42,65,99,931.95
Trade Payable	7	18,72,76,022.17	13,56,78,618.93
Other Current Liabilities	8	5,84,34,393.59	4,87,49,609.42
Short Term Provisions	9	11,01,332.00	11,62,187.00
<b>TOTAL</b>		<b>3,80,77,90,422.46</b>	<b>3,72,57,81,936.00</b>
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
<b><u>Fixed assets</u></b>			
(i) Tangible assets	10	2,66,73,25,860.45	2,84,47,26,177.89
(ii) Intangible Assets	11	20,88,213.40	22,76,933.40
Deferred tax assets (net)	12	20,62,77,304.00	11,32,65,059.00
Long-term loans and advances	13	1,29,56,431.63	71,15,548.03
<b><u>Current assets</u></b>			
Inventories	14	11,61,43,101.05	13,05,55,956.00
Trade receivables	15	67,01,73,182.29	52,31,69,410.11
Cash and cash equivalents	16	5,52,85,926.82	83,05,852.94
Short-term loans and advance	17	7,20,22,788.76	9,35,05,596.03
Other Current Assets	18	55,17,614.06	28,61,402.60
<b>TOTAL</b>		<b>3,80,77,90,422.46</b>	<b>3,72,57,81,936.00</b>

Significant Accounting Policies 27  
& Other Notes to accounts  
see accompanying notes to financial statements  
In terms of our Audit Report of even date a

**for SUNIL K. MITTAL & CO.**  
Chartered Accountants  
Firm Registration No: 008524N

Sd/-  
**Sunil Kumar Jain**  
Proprietor  
M. No. - 84125  
**Date: 29-05-2012**  
**Place: New Delhi**

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

Sd/-  
**Pradeep Kumar Jain**  
MANAGING DIRECTOR

Sd/-  
**Parmod Kumar Jain**  
DIRECTOR

Sd/-  
**(Anant Prakash)**  
Company Secretary

## **MAGNUM VENTURES LIMITED**

### **MANUFACTURING & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

Particulars	Refer Note No.	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Revenue from operations	19	1,97,01,32,466.25	1,74,09,78,967.70
Other income	20	14,61,238.82	11,28,261.24
<b>Total Revenue</b>		<b>1,97,15,93,705.07</b>	<b>1,74,21,07,228.94</b>
<b>Expenses</b>			
Cost of Material Consumed	21	1,32,71,82,734.04	1,20,37,37,302.33
Change in Inventory of Finished Goods & W.I.P	22	-40,93,713.00	3,04,80,305.00
Employee Benefit Expense	23	14,06,50,007.59	11,93,20,128.18
Finance Cost	24	40,91,93,388.20	31,92,66,874.57
Depreciation and amortization expense	25	22,25,43,168.00	24,02,36,005.60
Other Expenses	26	17,26,90,559.42	24,04,16,873.30
<b>Total Expenses</b>		<b>2,26,81,66,144.25</b>	<b>2,15,34,57,488.98</b>
<b>Profit Before Tax</b>		<b>-29,65,72,439.18</b>	<b>-41,13,50,260.04</b>
Tax expense:			
Current tax			16,673.00
Deferred tax		-9,30,12,245.00	-12,69,82,756.00
<b>Profit After Tax for the Period</b>		<b>-20,35,60,194.18</b>	<b>-28,43,84,177.04</b>
<b>Earnings per equity share:</b>			
(1) Basic		-5.41	-7.56
(2) Diluted		-5.41	-7.56

Significant Accounting Policies

27

& Other Notes to accounts

see accompanying notes to financial statements

In terms of our Audit Report of even date attached.

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

Chartered Accountants

Firm Registration No: 008524N

Sd/-

**Sunil Kumar Jain**

Proprietor

M. No. - 84125

**Date: 29-05-2012**

**Place: New Delhi**

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

Sd/-

**(Pradeep Kumar Jain)**

Managing Director

Sd/-

**(Parmod Kumar Jain)**

Director

Sd/-

**(Anant Prakash)**

**Company Secretary**

**MAGNUM VENTURES LIMITED**

Note 1

Share Capital	For the Year ended as on 31.03.2012		For the Year ended as on 31.03.2011	
	Number	Rs.	Number	Rs.
<b>Authorised</b> Equity Shares of Rs.10 each	6,40,00,000.00	64,00,00,000.00	6,40,00,000.00	64,00,00,000.00
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of Rs.10 each fully Paid-up	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00
<b>Total</b>		<b>37,60,18,840.00</b>		<b>37,60,18,840.00</b>

**Reconciliation of Number of Equity Shares Outstanding**

Particulars	AS AT 31.03.2012		AS AT 31.03.2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>3,76,01,884.00</b>	<b>37,60,18,840.00</b>	3,76,01,884.00	37,60,18,840.00

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

Name of Shareholder	AS AT 31.03.2012		AS AT 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praveen Kumar Jain	1,66,48,510.00	44.28	1,66,48,510.00	44.28

Note 2

Reserves & Surplus	For the Year ended as on 31.03.2012	For the Year ended as on 31.03.2011
<b>A. Securities Premium</b>		
Opening Balance	38,52,53,799.53	38,52,53,799.53
Add : Securities premium credited on Share issue	-	--
Less : Premium Utilised for various reasons	-	--
<b>Closing Balance</b>	<b>38,52,53,799.53</b>	<b>38,52,53,799.53</b>
<b>B. General Reserve</b>		
Opening Balance	15,28,067.07	15,28,067.07
(+) Addition During the year	-	-
(-) Deduction/Appropriations	-	-
<b>Closing Balance</b>	<b>15,28,067.07</b>	<b>15,28,067.07</b>
<b>C. Surplus</b>		
Opening balance	-21,13,78,254.60	7,30,05,922.44
(+/-) Profit/ (Loss) During the Year	-20,35,60,194.18	-28,43,84,177.04
<b>Closing Balance</b>	<b>-41,49,38,448.78</b>	<b>-21,13,78,254.60</b>
<b>Total</b>	<b>-2,81,56,582.18</b>	<b>17,54,03,612.00</b>

Note 3

Long Term Borrowings	For the Year ended as on 31.03.2012	For the Year ended as on 31.03.2011
<b>Term Loan</b>		
<b>Secured</b>		
<b>From Banks</b>		
Indian overseas Bank	27,81,39,470.00	27,01,33,292.00
PNB	73,32,15,144.00	71,50,91,165.00
Syndicate Bank	61,95,89,623.40	59,15,44,098.47
Oriental Bank Of Commerce	29,78,14,000.00	29,63,22,000.00
Allahabad bank	17,20,61,029.69	18,22,84,964.04
Vijaya Bank	21,38,74,661.00	22,31,75,000.00
Unsecured Loans and Advances From Related Parties	28,85,12,955.24	26,92,77,598.13
Long Term maturities of Finance Lease Obligations	44,42,414.40	47,95,392.86
<b>Total</b>	<b>2,60,76,49,297.73</b>	<b>2,55,26,23,510.50</b>

## Note 4

<b>Other Long Term Liabilities</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
<b>Others</b>		
Trade Payable exceeding Normal Operating Cycle	5,32,65,000.00	
Cess Payable to U.P.P.C.B	14,92,444.20	10,17,353.20
<b>Total</b>	<b>5,47,57,444.20</b>	<b>10,17,353.20</b>

## Note 5

<b>Long Term Provisions</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
<b>Provision for Employee benefits</b>		
Provision for Gratuity	55,26,672.00	67,69,528.00
Provision for Leave Encashment	57,82,724.00	17,58,745.00
<b>Total</b>	<b>1,13,09,396.00</b>	<b>85,28,273.00</b>

## Note 6

<b>Short Term Borrowings</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
<b>Secured Term Loan from Banks</b>		
Indian overseas Bank	1,59,05,000.00	50,80,000.00
PNB	4,48,09,750.00	1,41,41,000.00
Syndicate Bank	2,88,56,750.00	78,31,000.00
Oriental Bank Of Commerce	2,65,04,750.00	71,78,000.00
Allahabad bank	1,12,06,000.00	33,36,000.00
Vijaya Bank	1,01,31,250.00	33,25,000.00
<b>Secured Working Capital Loans from banks</b>		
IOB	2,89,56,493.14	2,88,75,429.14
Oriental Bank of Commerce	22,90,24,250.73	22,18,79,621.87
Syndicate Bank	2,21,88,648.52	2,28,37,311.98
Allahabad Bank	4,61,75,122.59	4,01,72,875.34
PNB	7,56,42,263.97	7,19,43,693.62
<b>Total</b>	<b>53,94,00,278.95</b>	<b>42,65,99,931.95</b>

## Note 7

<b>Trade Payable</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
Trade Payable within Normal Operating Cycle	18,72,76,022.17	13,56,78,618.93
<b>Total</b>	<b>18,72,76,022.17</b>	<b>13,56,78,618.93</b>

## Note 8

<b>Other Current Liabilities</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
Interest Accrued and due on borrowings	3,07,87,271.81	1,69,37,181.85
Current maturities of Finance Lease obligations	33,37,262.82	21,63,331.15
Other Payables	2,41,72,124.96	1,95,64,450.86
Advances from Customers	1,37,734.00	1,00,84,645.56
<b>Total</b>	<b>5,84,34,393.59</b>	<b>4,87,49,609.42</b>

## Note 9

<u>Short Term Provisions</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
<u>Provision for Employee benefits</u>		
Bonus payable	11,01,332.00	11,62,187.00
<b>Total</b>	<b>11,01,332.00</b>	<b>11,62,187.00</b>

## Note 10

<u>Tangible Assets</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Land	19,09,33,558.86	19,09,33,558.86
Building & Site	85,90,02,134.43	87,45,94,382.43
Computer	54,08,174.56	64,68,639.56
Furniture & Fixture	42,25,42,650.20	48,07,14,700.95
Plant & Machinery	92,51,63,610.77	1,04,71,65,840.34
Vehicles	1,58,72,312.17	1,33,77,073.17
Electric Installation	4,51,83,105.12	1,67,52,188.70
Generator	1,25,70,734.36	1,40,50,364.36
Office Equipment	10,76,176.32	9,06,107.32
Fire Fighting Equipment	3,26,452.00	3,85,558.00
Deinking Plant	7,25,24,863.80	7,73,69,408.80
Turbine	11,67,22,087.86	12,20,08,355.40
<b>Total</b>	<b>2,66,73,25,860.45</b>	<b>2,84,47,26,177.89</b>

## Note 11

<u>Intangible Assets</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Softwares	20,88,213.40	22,76,933.40
<b>Total</b>	<b>20,88,213.40</b>	<b>22,76,933.40</b>

## Note 12

<u>DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Deferred Tax Assets (A)	39,52,76,070.00	29,20,34,669.00
Deferred Tax Liabilities (B)	18,89,98,766.00	17,87,69,610.00
<b>Net Deferred Tax Asset/ (Liability) (A-B)</b>	<b>20,62,77,304.00</b>	<b>11,32,65,059.00</b>

## Note 13

<u>Long Term Loans &amp; Advances</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Security Deposit Unsecured, Considered good	1,15,03,957.63	38,95,046.63
<u>Other Loans &amp; Advances</u>		
Advance against Salary	3,52,000.00	6,40,000.00
Cess Deposited under protest	8,93,495.00	8,93,495.00
Advance to Supplier for Raw Material & Expenses	1,90,881.00	-
Advance to Supplier for Capital Goods	16,098.00	16,87,006.40
<b>Total</b>	<b>1,29,56,431.63</b>	<b>71,15,548.03</b>

## Note 14

<u>Inventories</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
(As Valued & Certified by the Management)		
Raw Material	4,73,91,119.00	1,11,30,148.00
Work-In-Progress	25,10,570.00	25,10,570.00
Finished Goods	97,31,648.00	56,37,935.00
Chemicals Stores & Consumables	3,79,54,825.00	6,16,06,464.00
Hotel Stock	60,83,051.05	55,03,139.00
Fuel	1,24,71,888.00	4,41,67,700.00
<b>Total</b>	<b>11,61,43,101.05</b>	<b>13,05,55,956.00</b>

Mode of Valuation

Stock has been valued at Cost or Net Realisable value, whichever is lower.

Note 15

<u>Trade Receivables</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured considered good	61,60,619.05	2,52,30,352.73
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good	66,40,12,563.24	49,79,39,057.38
<b>Total</b>	<b>67,01,73,182.29</b>	<b>52,31,69,410.11</b>

Note 16

<u>Cash &amp; Cash Equivalents</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Balance with scheduled banks in current accounts	5,37,22,554.43	64,46,616.94
Cash on hand	8,36,445.39	10,50,337.00
Fixed Deposits with Banks	7,26,927.00	8,08,899.00
<b>Total</b>	<b>5,52,85,926.82</b>	<b>83,05,852.94</b>

Note 17

<u>Short Term Loan &amp; Advances</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
<u>Others</u>		
Unsecured, Considered good		
Advances with Government Authorities	3,69,36,256.40	4,92,82,722.35
Labour, Staff Advance & Imprest	5,89,754.36	
Advance to Supplier for Raw Material	3,36,46,650.00	7,50,650.81
Advance to Supplier for Capital Goods	8,50,128.00	4,34,72,222.87
<b>Total</b>	<b>7,20,22,788.76</b>	<b>9,35,05,596.03</b>

Note 18

<u>Other Current Assets</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Prepaid Expenses	50,39,726.06	23,83,514.60
Branch / Divisions	-	-
Preliminary Expenses	4,77,888.00	4,77,888.00
<b>Total</b>	<b>55,17,614.06</b>	<b>28,61,402.60</b>

Note 19

<u>Revenue From Operation</u>	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Gross Revenue from Sale of Paper Products	2,00,70,69,983.78	1,77,76,83,494.28
Less : Excise Duty	4,63,20,992.53	4,67,14,264.58
Net Revenue from Operations	1,96,07,48,991.25	1,73,09,69,229.70
Other Operating Revenue	95,78,452.00	1,00,09,738.00
Less : Excise Duty	1,94,977.00	-
Net Other Operating Revenue	93,83,475.00	1,00,09,738.00
<b>Total</b>	<b>1,97,01,32,466.25</b>	<b>1,74,09,78,967.70</b>

Note 20

Other Incomes	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Interest recd on FDR (TDS Deducted Rs. 6790/- Last Year Rs. 5735/-)	84,048.00	27,332.00
Profit on sale of Fixed Assets	10,287.00	-
Rental Charges	11,30,000.00	3,50,000.00
Foreign Exchange Gain	2,36,903.82	7,41,311.57
Short & Excess	-	9,617.67
<b>Total</b>	<b>14,61,238.82</b>	<b>11,28,261.24</b>

Note 21

Cost of Material Consumed	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Raw Material Consumed	51,70,14,248.95	55,51,26,526.86
Power & Fuel Consumed	35,56,64,749.36	21,24,09,169.58
Chemicals Stores & Consumables	45,45,03,735.73	43,62,01,605.89
<b>Total</b>	<b>1,32,71,82,734.04</b>	<b>1,20,37,37,302.33</b>

Note 22

Changes in Inventory of Finished Goods & Work In Progress	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Changes in Inventory of Finished Goods	-40,93,713.00	-3,04,80,305.00
Changes in Inventory of Work in Progress		-
<b>Total</b>	<b>-40,93,713.00</b>	<b>-3,04,80,305.00</b>

Note 23

Employee Benefit Expense	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Salary	9,04,72,638.00	7,50,29,149.44
Wages	2,98,33,312.00	2,59,32,137.00
Bonus	11,89,523.00	11,91,165.00
Gratuity	11,79,216.00	19,36,723.00
Leave Encashment	52,74,974.00	4,11,015.00
Contribution to ESI	25,88,732.00	24,43,290.44
Contribution to EPF	44,43,951.00	49,74,485.56
Staff Welfare	56,67,661.59	74,02,162.74
<b>Total</b>	<b>14,06,50,007.59</b>	<b>11,93,20,128.18</b>

Note 24

Finance Cost	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Interest Cost	40,03,20,858.14	31,34,86,711.09
Bank Charges	88,72,530.06	57,80,163.48
<b>Total</b>	<b>40,91,93,388.20</b>	<b>31,92,66,874.57</b>

Note 25

Depreciation & Amortisation Expense	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Dereciation on Tangible Assets	22,19,21,289.00	23,98,02,536.60
Amortisation of InTangible Assets	6,21,879.00	4,33,469.00
<b>Total</b>	<b>22,25,43,168.00</b>	<b>24,02,36,005.60</b>

Note 26

<b>Other Expenses</b>	<b>For the Year ended 31.03.2012</b>	<b>For the Year ended 31.03.2011</b>
Advertisement Expenses	6,47,899.00	6,53,739.03
Auditor Remuneration	3,29,630.00	2,60,000.00
Business Promotion	-	12,36,900.00
Commission	47,12,687.03	31,25,181.30
Electricity	3,84,04,320.57	6,28,72,719.10
Entertainment & Music	5,14,119.00	28,108.00
Entairnment Tax	1,96,080.00	1,77,063.00
Excise duty on Capital Goods & Cess on Paper	-	40,414.00
Entry Tax	30,780.00	5,18,473.80
Freight outward	1,26,44,934.00	1,40,35,105.00
Insurance Charges	7,54,850.42	6,10,256.00
Fees & Subscription	1,96,29,090.36	1,98,88,656.00
Legal & Professional	19,81,025.00	14,74,303.00
Miscellenous & General	6,25,697.34	13,71,898.00
Postage	4,13,213.75	1,93,503.70
Photocopy Expense	1,01,500.00	94,000.00
Pest Control	4,99,793.00	4,83,543.00
Printing & Stationery	28,70,326.50	20,41,041.82
Rates & taxes	36,95,382.72	41,98,695.00
Rebate, Discount & Written off	1,02,36,158.74	21,00,321.20
Rent & Hire Charges	7,41,096.00	33,55,242.00
Repair & Maintenance Building	17,59,482.00	31,76,448.00
Repair & Maintenance Plant & Machinery	2,12,06,891.16	2,35,53,452.82
Sales Promotion	8,54,578.00	17,36,859.00
Sales Tax Additional Demand	1,88,665.00	91,596.00
Service Tax	8,15,772.00	16,637.00
Share Listing Fees	2,98,336.00	2,44,812.00
Telephone	22,27,264.14	27,62,434.79
Travelling Expenses	17,64,474.42	38,58,207.93
Conveyance Expense	17,20,272.00	5,60,960.07
Vehicle Expense	12,90,603.91	11,43,416.00
Diesel Expense	1,38,600.00	65,400.00
Water Expense	25,36,005.90	66,08,467.69
Glass ware food, Beverages & Paper	29,34,414.20	69,52,540.06
Guest Supplies Expense	1,04,67,604.37	1,27,06,431.14
Horticulture Expenses	1,17,991.00	44,98,145.00
Kitchen Equipment & Fuel Expense	1,33,12,182.20	1,09,63,060.85
Upholstery & Fabric Expenditure	37,15,451.25	1,31,87,800.01
Linen & Staff Uniform	9,58,639.56	57,40,325.62
Staff & Training Expenses	1,52,150.00	5,12,490.00
Flower Decoration Expense	42,08,628.77	1,41,18,041.83
Security & Safety Expense	-	20,59,668.13
Cable TV Expenses	34,412.00	11,70,978.00
Laundry & Cleaning Expenses	27,28,606.11	55,96,280.41
Medical Expenses	2,30,952.00	3,33,258.00
<b>Total</b>	<b>17,26,90,559.42</b>	<b>24,04,16,873.30</b>



**MAGNUM VENTURES LIMITED**  
(Formerly Known as 'Magnum Papers Limited')

"Magnum House" 3/4326, Ansari Road, Darya Ganj, New Delhi 110 002

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

Note 10, 11 & 25

**PAPER -DIVISION**

S. No.	Particular	ROD/	Gross Block				Depreciation				Net Block	
		Yrs. Of	As at	Addition	Sale/	AS at	As at	During the	W/Off	Total as on	Wdv as on	Wdv as on
		Amortisation	01.04.2011		Adjustment	31.03.2012	01.04.2011	Period		31.03.2012	31.03.2012	31.03.2011
	<b>Tangible</b>											
1	Land	0%	28275584.60	0.00		28275584.60	0.00			0.00	28275584.60	28275584.60
2	Building	10%	55323369.55	309663.00		55633032.55	36381540.40	1920204.00		38301744.40	17331288.15	18941829.15
3	Plant & Machinery	15.33%	1512039051.85	13734549.93	4923518.50	1520850083.28	762512151.16	115418767.00		877930918.16	642919165.12	749526900.69
4	Electrical Instalation	15.33%	77133681.21	31705425.42		108839106.63	60381492.51	3274509.00		63656001.51	45183105.12	16752188.70
5	Generator	15.33%	24504952.31	0.00		24504952.31	16978975.51	1153732.00		18132707.51	6372244.80	7525976.80
6	Vehicle	25.89%	15106745.87	2505984.00	796997.00	16815732.87	12367777.27	1007978.00	757284.00	12618471.27	4197261.60	2738968.60
7	Office Equipment	13.91%	1568581.46	90722.00		1659303.46	945878.89	98084.00		1043962.89	615340.57	622702.57
8	Furniture & Fixture	18.10%	545807.73	83147.00		628954.73	317166.00	55660.00		372826.00	256128.73	228641.73
9	Computer	40%	1076209.16	551910.00		1628119.16	875099.98	223665.00		1098764.98	529354.18	201109.18
10	Fire Fighting Equip.	15.33%	808603.00	0.00		808603.00	423045.00	59106.00		482151.00	326452.00	385558.00
	<b>Straight Line Method</b>											
12	Deinking Plant	4.75%	101990419.60	0.00		101990419.60	24621010.80	4844545.00		29465555.80	72524863.80	77369408.80
13	Turbine	4.75%	170158504.80	2851561.46		173010066.26	48150149.40	8137829.00		56287978.40	116722087.86	122008355.40
	<b>Sub Total</b>		1988531511.14	51832962.81	5720515.50	2034643958.45	963954286.92	136194079.00	757284.00	1099391081.92	935252876.53	1024577224.22
	<b>Intangible</b>											
11	Computer Software	5 Years	251920.00	9500.00		261420.00	74180.00	50545.00		124725.00	136695.00	177740.00
			251920.00	9500.00	0.00	261420.00	74180.00	50545.00	0.00	124725.00	136695.00	177740.00
	<b>Total</b>		1988783431.14	51842462.81	5720515.50	2034905378.45	964028466.92	136244624.00	757284.00	1099515806.92	935389571.53	1024754964.22

**HOTEL-DIVISION**

S.No.	Particular	ROD/	Gross Block				Depreciation				Net Block	
		Yrs. Of	As at	Addition	Sale/	AS at	As at	During the	W/Off	Total as on	Wdv as on	Wdv as on
		Amortisation	01.04.2011		Adjustment	31.03.2012	01.04.2011	Period		31.03.2012	31.03.2012	31.03.2011
	<b>Tangible Asset</b>											
1	Land	0	162657974.26	0.00	0.00	162657974.26	0.00	0.00	0.00	0.00	162657974.26	162657974.26
	<b>Straight Line Method</b>											
2	Building & Site	1.63	879584679.3	0.00	0.00	879584679.28	23932126.00	14337230.00	0.00	38269356.00	841315323.28	855652553.28
3	Computer	16.21	7528989	0.00	0.00	7528989	2518280.00	1220449.00	0.00	3738729.00	3790260.00	5010709.00
4	Furniture & Fixture	9.5	559165310.2	0.00	5371296.75	553794013.5	80663967.00	52610431.00	0.00	133274398.00	420519615.45	478501343.20
5	Plant & Machinery	4.75	312363060.7	0.00	0.00	312363060.7	27608975.00	14837245.00	0.00	42446220.00	269916840.71	284754085.71
6	Car	9.5	6769223	0.00	0.00	6769223	1065632.43	643076.00	0.00	1708708.43	5060514.57	5703590.57
	<b>Sub-Total</b>		1928069236.45	0.00	5371296.75	1922697939.70	135788980.43	83648431.00	0.00	219437411.43	1703260528.27	1792280256.02
	<b>Intangible Asset</b>											
7	Computer Software	5 Years	1900308	0.00	0.00	1900308	658834.60	380062.00	0.00	1038896.60	861411.40	1241473.40
			1900308.00	0.00	0.00	1900308.00	658834.60	380062.00	0.00	1038896.60	861411.40	1241473.40
	<b>Total</b>		1929969544.45	0.00	5371296.75	1924598247.70	136447815.03	84028493.00	0.00	220476308.03	1704121939.67	1793521729.42

**HOTEL-CIS**

S.No.	Particular	ROD/	Gross Block				Depreciation				Net Block	
		Yrs. Of	As at	Addition	Sale/	AS at	As at	During the	W/Off	Total as on	Wdv as on	Wdv as on
		Amortisation	01.04.2011		Adjustment	31.03.2012	01.04.2011	Period		31.03.2012	31.03.2012	31.03.2011
	<b>Tangible</b>											
	<b>Straight Line Method</b>											
1	Plant & Machinery	0.0163	13368847.94	77781.00	0.00	13446628.94	483994.00	635030.00	0.00	1119024.00	12327604.94	12884853.94
2	Furniture & Fixture	0.095	2292732.02	0.00	0.00	2292732.02	308016.00	217810.00	0.00	525826.00	1766906.02	1984716.02
3	Computer	0.1621	1556995.38	90900.00	0.00	1647895.38	300174.00	259161.00	0.00	559335.00	1088560.38	1256821.38
4	Office Equipment	0.0475	305569.75	197150.00	0.00	502719.75	22165.00	19719.00	0.00	41884.00	460835.75	283404.75

5	Generator	0.0475	6861000	0.00	0.00	6861000	336612.44	325898.00	0.00	662510.44	6198489.56	6524387.56
6	Car	0.095	5213938	2296540.00	0.00	7510478	279424.00	616518.00	0.00	895942.00	6614536.00	4934514.00
8	Building	0.0163	0	360166.00	0.00	360166	0.00	4643.00	0.00	4643.00	355523.00	0.00
	<b>Sub-Total</b>		<b>29599083.09</b>	<b>3022537.00</b>	<b>0.00</b>	<b>32621620.09</b>	<b>1730385.44</b>	<b>2078779.00</b>	<b>0.00</b>	<b>3809164.44</b>	<b>28812455.65</b>	<b>27868697.65</b>
	<b>Intangible</b>											
7	Computer Software	5 Years	874446	423659.00	0.00	1298105	16726.00	191272.00	0.00	207998.00	1090107.00	857720.00
	<b>Sub-Total</b>		<b>874446.00</b>	<b>423659.00</b>	<b>0.00</b>	<b>1298105.00</b>	<b>16726.00</b>	<b>191272.00</b>	<b>0.00</b>	<b>207998.00</b>	<b>1090107.00</b>	<b>857720.00</b>
	<b>Total</b>		<b>30473529.09</b>	<b>3446196.00</b>	<b>0.00</b>	<b>33919725.09</b>	<b>1747111.44</b>	<b>2270051.00</b>	<b>0.00</b>	<b>4017162.44</b>	<b>29902562.65</b>	<b>28726417.65</b>
	GRAND TOTAL (Hotel+Paper)		3949226505	55288658.81	11091812.25	3993423351	1102223393	222543168	757284	1324009277	2669414073.85	2847003111
	Previous year		3909825476	41787127.35	2386099	3949226505	861987387.8	240236005.6	0	1102223393	2847003111	3047838089

\*Note: Softwares are amortised in 5 years

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

**SCHEDULE- "XXVII"**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**  
**ANNEXED TO BALANCE SHEET AS AT 31-03-2012**

**(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**

<b>PARTICULAR</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
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)

**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 CONTIGENCIES**

A Provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to

settle the obligation, in respect of which reliable estimate can be made. Provisions (including retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in profit & loss account but are disclosed in Notes to the Accounts.

12. **RETIREMENT AND OTHER EMPLOYEE BENEFITS**

i) **Defined Contribution Plan**

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

ii) **Defined Benefit Plan**

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

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

iii) **Other Benefits**

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

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

(B) **OTHER NOTES**

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

:

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (Rs.)</b>	<b>Period</b>	<b>Present Status</b>
Excise Law	Excise Duty On Production Loss	2097503/-	2005-06	Addl. Commissioner of Excise Show Cause Notice pending not yet decided

	With regard to amount of CENVAT Credit of Rs.828510/- availed from the purchase made by the company, as the question on genuineness of the supplier is raised by the Department of Excise, for which the company has filed an appeal before the Custom Excise Service Tax Appellate Tribunal which was decided in favour of the Company vide order dated 02/06/06. The Commissioner of Custom & Central Excise, Ghaziabad has filed an appeal before Hon. High Court of Allahabad u/s 35-G of Central Excise Act.	828510/-		Hon'ble Allahabad High Court
Excise Law	Duty on Kachra (Waste)	158816/- (Plus Interest)	01-04-08 to 15-01-09	Matter pending before Tribunal not yet decided

EPCG License	<p>Under the EPCG scheme of the Government of India, the company imported capital goods for its Hotel Project during the year 2008-09 &amp; 2009-10 at import duty rates less than the regular import duty rates and has saved import duty of equivalent INR Rs.6.38 Crore on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.51.04 crore.</p> <p>During the year 2011-12, Paper Division utilized EPCG License 8.89 Lac on import of capital goods and hence to fulfill an export obligation (including average basic export) in the next 8 year equal to Rs.71.04 Lac.</p> <p>Non- fulfillment of obligation will result into company liability to pay the duty so saved along with interest and such other sum as specified by the concerned authority.</p>
Income Tax	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 Nil)

3. **REMUNERATION PAID TO AUDITORS:**

Particular	Current Year	Last Year
As Statutory Auditors	274630/-	215000/-
Tax Audit Fees	55000/-	45000/-
In other matter	NIL	NIL

4. In the opinion of the management, current assets, loans and advances are of the value stated if realised in the ordinary course of business except otherwise stated. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonable.
5. During the year company has suffered loss & hence no provision for taxation has been made for the year ended 31.03.2012 in accordance with the provision of Income Tax Act, 1961.
6. The accounts of the parties are subject to their respective confirmation
7. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Remuneration Paid	Nil	Nil

8. **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 however the company had deferred the right issue for the time being.

9. 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:

S. No.	Particular	Current Year Qty. In MT	Last Year Qty in MT.
(a)	Licensed Capacity	85000	85000
(b)	Installed Capacity	N.A	N.A
(c)	Production	65185	64173

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

**PAPER DIVISION**

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock (Paper)	283812	1887331	5637935	36118240
(b)	Closing Stock (Paper)	452670	283812	9731648	5637935
(c)	Sale of Paper	65016605	65777272	1477276422	1327690473

(Sale Include Self Consumption 1074115 Kg. (Previous Year 1084951 Kg.)

#### HOTEL DIVISION

No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock (Hotel)	NA	NA	5503139	4496996
(b)	Closing Stock (Hotel)	NA	NA	6083051	5503139
(c)	Sale	NA	NA	529793562	449993021

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

S. No	Particular	Qty (Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Raw Material	69515078	72025819	431621413.52	456866499.38
(b)	Stores & Chemical	-	-	454826799.73	436201605.89
(c)	Power & Fuel	-	-	355664749.36	212409169.58

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

Particular	Value (Rs)		In %	
	Current Year	Last Year	Current Year	Last Year
Imported Raw Material	12848326	-	2.98	0.00
Indigenous Raw Material	418773087	456866499	97.02	100
Imported Stores & Chemical	10344166	5743484	2.27	1.31
Indigenous Stores & Chemical	444482634	430458121	97.73	98.69

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

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

Particular	Current Year (Rs)	Last Year (Rs)
<b>PAPER</b>		
Raw Material	11664441	453068
Chemical & Consumable Spare Parts	9565197	6715939
<b>HOTEL</b>		



Spare Parts (Last Year Health club Items)	-	41358
Mini Bar Cooling Unit	114888/- (\$ 2391)	
Laundry Equipment	77781/- (\$1686.50)	

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

Particular	Current Year (Rs)	Last Year (Rs)
Traveling Expenses Paper Division	Nil	Nil
Hotel Division {Royalty 1379294/- (\$26436.78), Annual Subscription 41142/- (\$920), Participation Fee 186515/- (\$2896)}	1606891/- (\$30252.78)	1173625/- 24906 USD

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

Particular	Current Year (Rs)		Last Year (Rs)	
	Rs.	US \$	Rs.	US \$
Earning In Foreign Currency Paper Division	Nil	Nil	21222790	454548.70
Hotel Division	98944127.86	2082376.10	22395135.06	498432.99

**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 31.03.2012 (Rs)
<b>DEFERRED TAX ASSETS :-</b>	
Provision for gratuity	5526672.00
Leave Encashment	5782724.00
Unabsorbed Depreciation	818807699.00
Unabsorbed Losses	251671154.00
Interest Disallowed	197422331.00
(A)	1279210580.00
<b>DEFERRED TAX LIABILITY :-</b>	
Excess of net block as per Companies act over Income tax act (B)	611646491.00

	(A)-(B)	667564089.00
Net Deferred tax Asset as on 31.03.2012		206277304.00
Deferred tax liabilities provided as on 31.3.2011		113265059.00
Deferred tax liabilities (Asset) attributable to Financial Year 2011-12		(93012245.00)

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 Nil) 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 Company is maintaining separate records for Manufacturing of Duplex Board & Writing Printing Paper and News Prints.

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

#### Primary -

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

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

Particulars	Paper Division	Hotel Division	Total
Segment wise Revenue			
External Revenue 2012	1477276422.00	529793562.00	2007069984.00
2011	1327690473.00	449993021.28	1777683494.28
Segment wise Results			
Segment Result 2012	(-)216874472.00	(-)79697967.00	(-)296572439.00
2011	(-)214336514.37	(-)197013745.67	(-)4111350260.04
Segment wise Assets			
2012	2621674951.00	1186115471.00	3807790422.00
2011	2520996099.83	1091042889.17	3612038989.00
Segment wise Liabilities			
2012	204373769.00	108504819.00	312878588.00
2011	143508306.71	32527221.84	176035528.55
Fixed Assets Addition			
2012	51842463.00	3446196.00	55288659.00

2011	22513672.43	19273454.92	41787127.35
Depreciation 2012 2011	136244624.00 154439641.00	86298544.00 85796364.60	222543168.00 240236005.60

**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.

**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 XXVII form an integral part of the Balance Sheet as at 31<sup>st</sup> March -2012 and have been authenticated as such.

FOR AND ON BEHALF OF THE BOARD OF  
MAGNUM VENTURES LIMITED

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

**(Pardeep Kumar Jain)**    **(Pramod Kumar Jain)**  
Managing Director        Director)

**(SUNIL KUMAR JAIN)**  
**(Proprietor)**  
Membership No 84125

**(Company Secretary)**

Place: New Delhi.  
Date : 29/05/2012

**MAGNUM VENTURES LIMITED**

(Previously Known as Magnum Papers Limited)

Financial Year 2011-12

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

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

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2012	225712729.53	62800225.71
2	Rent	20000.00	40000.00

Note: Names of the related parties and descriptions of relationships

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

**MAGNUM VENTURES LIMITED**  
**(Formerly Known as 'Magnum Papers Limited')**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2012**

PARTICULARS	2011-12		2010-11	
	AMOUNT (Rs)	AMOUNT (Rs)	AMOUNT (Rs)	AMOUNT (Rs)
<b>CASH FLOW FROM OPERATIONS</b>				
A) Profit before Taxation		296572439.2	-	-411350260
B) Adjustments				
ADD				
i Depreciation	222543168		240236005.6	
ii Interest expenses	409193388.2		313486711.1	
iii Profit on sale of fixed assets	-10287		0	
iv Provision for Gratuity	-1242856		1384145	
v Provision for leave Encashment	4023979		86721	
vi Provisions for Bonus	-60855		-73934	
Less				
Interest income	84048		27332	
		634362489.2		555092316.7
		337790050		143742056.7
Operating profit before working capital changes				
C) (Increase)/ Decrease in Current Assets				
I Inventories	14412854.95		36335926.58	
ii Sundry Debtors	-147003772.2		64209862.66	
iii loans & advances & other Current Assets	12985712.21		30317459.6	
Increase / (Decrease) in Current Liabilities				
i Sundry Creditors	51597403.24		47917421.94	
ii Advance from Customers	-9946911.56		704385.64	
iii Expenses Payable	4607674.1		6338711.37	
iv other liability	127824368.6		29702000	
v Miscellaneous expenses incurred	0		-224284	
		54477329.39		86881758.47
Cash generated from operations		392267379.4		230623815.1
Wealth tax paid	0		16673	
Income tax & FBT	0		0	
		0		-16673
<b>NET CASH FROM OPERATIONS</b>		<b>392267379.4</b>		<b>230607142.1</b>
<b>INVESTING ACTIVITIES</b>				
i Additions to Capital work in progress	0		3409843.53	
ii Additions to fixed assets(Net of Sales)	-44943843.56		39401028.35	
iii Increase in investment	0		0	
iv Interest Income	84048		27332	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>44859795.56</b>		<b>-35963852.82</b>

**FINANCING ACTIVITIES**

I	Issue of Equity Shares	0	0
ii	Increase in Share Premium	0	0
iii	Decrease in Investments	0	0
iv	Borrowings	108765878.2	119676496.3
v	Interest Paid	-409193388.2	313486711.1
		<hr/>	<hr/>
	NET CASH FROM FINANCING ACTIVITIES	-300427510	-193810214.8
	Net Change in cash and cash equivalent (A+ B + C)	46980073.88	833074.52
	Cash and cash equivalents at the beginning of the period (See Note-1)	<u>8305852.94</u>	<u>7472778.42</u>
	Cash and cash equivalents at the end of the period (See Note-1)	<u>55285926.82</u>	<u>8305852.94</u>

## Notes to Cash Flow Statement :-

- 1 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.

	2011-12	2010-11
Cash in hand	836445.39	1050337
FDR with the Bank	726927	808899
Balance with scheduled banks in current accounts	53722554.43	6446616.94

# MAGNUM VENTURES LIMITED

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

## ATTENDANCE SLIP

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

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

### 32<sup>nd</sup> ANNUAL GENERAL MEETING - 27<sup>th</sup> SEPTEMBER, 2012

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

I hereby record my presence at the **32<sup>nd</sup>Annual General Meeting** of the Company held on Thursday, 27<sup>th</sup> September, 2012 at 3.00 p.m. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110002.

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

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

#### Note:

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

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

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# MAGNUM VENTURES LIMITED

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

## PROXY FORM

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

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

### 32<sup>ND</sup> ANNUAL GENERAL MEETING - 27<sup>TH</sup> SEPTEMBER, 2012

I/We.....of.....being  
member/members of Magnum Ventures Limited, hereby  
appoint.....of.....or failing  
him/her.....of.....as my/our Proxy to  
attend and vote for me/us on my/our behalf at the **32<sup>nd</sup>Annual General Meeting** of the Company to be  
held on Thursday, 27<sup>th</sup> September, 2012 at 3.00 p.m. at 11, Vishnu Digamber Marg, Near Bal Bhawan, New  
Delhi 110 002, and at any adjournment thereof.

Signed this.....day of.....2012

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

Chawri Bazar, Delhi - 110006