

MAGNUM VENTURES LIMITED

(CIN: L21093DL1980PLC010492)

36th ANNUAL REPORT – 2016

BOARD OF DIRECTORS

Pradeep Kumar Jain	<i>Managing Director</i>
Abhey Kumar Jain	<i>Whole-time Director</i>
Parmod Kumar Jain	<i>Director</i>
Praveen Kumar Jain	<i>Director</i>
Subash Oswal	<i>Director</i>
Rakesh Garg	<i>Director</i>
Shiv Pravesh Chaturvedi	<i>Director</i>
Monisha Chaudhary	<i>Director</i>

<p><u>Company Secretary and Compliance Officer</u> Ms. Monisha Chaudhary Mob: 7503935312 Email id: cs_mvl@outlook.com</p>	<p><u>Chief Financial Officer</u> Mr. Parmod Kumar Jain Mob. 9873317148 Ph. No. 0120-4551138 Email id: dirbnk@cissahibabad.in</p>
<p><u>Internal Auditors</u> M/s B L Chakravarti & Associates, Chartered Accountants AAF 2, Shipra Krishna Azure, Kaushambi, Ghaziabad, U.P.- 201010</p>	<p><u>Registered Office</u> 685, Chitla Gate, Chawri Bazar Delhi - 110 006 Ph. No. 011-23264503/ 23261179</p>
<p><u>Statutory Auditors</u> Aggarwal & Rampal Chartered Accountant 2nd Floor, 19, Local Shopping Complex, Madangir, New Delhi-10062 Ph. No. 011-40512886/87/88 Email id: Aditya@aggarwalrampal.com</p>	<p><u>Corporate Office</u> 18/31, Site IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201010</p>
<p><u>Cost Auditors</u> M/s V.K. Dube & Co. Cost Accountants, T II/206, Gulmohar Enclave, Nehru Nagar-II Ghaziabad, U.P.</p>	<p><u>Works</u> 18/41, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh - 201 010</p>
<p><u>Secretarial Auditors</u> Munish K. Sharma & Associates Company Secretaries AAF-14, Shipra Krishna Azure, Near Wace Cinema, Kaushambi, Ghaziabad, UP-201012 Ph. No. 0120-4165725 Email id: munish_171@yahoo.com</p>	<p>64/6, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201 010</p>
<p><u>Contact Details</u> Phone No. : 91-0120-4199200 (100 lines) Fax : 91-0120-4199234 E-Mail : magnumventures@gmail.com Website : www.magnumventures.in</p>	<p><u>Bankers</u> Punjab National Bank Oriental Bank of Commerce Allahabad Bank Indian Overseas Bank Syndicate Bank Vijaya Bank</p>
	<p><u>Registrar and Transfer Agent</u> MAS Services Limited T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110 020 Tel: +011-2638 7281/82/83 Fax: +011-2638 7384 Website: www.masserv.com E-Mail: info@masserv.com Contact Person: Mr. Shrawan Mangla</p>

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CHAIRMAN SPEECH

Dear Shareholders,

It is my pleasure to extend a very warm welcome to all of you to your Company's 36th Annual General Meeting.

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

During the year under review, total income of the Company was Rs. 23,106.04Lacs as against Rs.22,392.26 Lacs in the previous year reflecting Y-O-Y growth of 3.19%. However, due to adverse market conditions, the EBDITA of the Company has been reduced by 43.05% during the current reporting period i.e., Rs. 1,707.78 lacs as compare with EBDITA of last reporting period i.e., Rs 2,998.86 lacs.

SEGMENTS

PAPER DIVISION

We are pleased to inform to our stakeholders, that to meet out the challenges of recession in our existing final product "Paperboard", the Company has diversified in to manufacture of "Newsprints" and started manufacturing Newsprints w. e. f. 01st July 2010.

Presently the Company is manufacturing the following Products:

- a) Paper Board
- b) Newsprints

Benefits of Manufacturing Paper Board

1. Demand has been increased by reason of increase in the volume of packaged material by consumers.
2. As the plasting bags are hazardous for environment, hence, demand of Paper Board has also been increased.
3. Almost manufacturing are based on orders/ demands, hence, the risk of spoilage are less.
4. Less expenditure on stock/ inventory management.

Benefits of Manufacturing Newsprints

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

HOTEL DIVISION

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

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

We would like to express that the hotel consists four restaurants- Tatva, 3Bs, 64/6 and Kebab Factory. Each of them specialises in vegetarian cuisines across the country and abroad. The Coffee shop in the lobby with an exquisite collection of cakes and pastries is a centre of attraction for every age group. 3Bs, the pool side restaurant is very much popular spot amongst the young crowd. Another restaurants- Tatva and 64/6 provides perfect lunch and dining experiences.

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

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

With best wishes,

Sd/-

Salek Chand Jain

Founder Chairman

NOTICE

Notice is hereby given that the **36th Annual General Meeting** ('AGM') of the Members of the Company will be held on **Monday, 19th September, 2016 at 11:00 A.M.** at **Ghalib Institute, AIWAN-E GALIB MARG, New Delhi-110002** to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2016 and Statement of Profit and Loss 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.AbheyKumar Jain** (DIN: 01876385) Whole-time Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director, in place of **Mr.Pramod Kumar Jain** (DIN: 01222952) Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment M/s. Aggarwal & Rampal, Chartered Accountants (FRN: 003072N) as Auditors of the Company and to fix their remuneration and in this regard, pass with or without modifications, the following resolution as Ordinary Resolution:

“Resolved that pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, the appointment of M/s. Aggarwal & Rampal, (Firm Registration No. 003072N), Chartered Accountants, as the Statutory Auditors of the Company be and are hereby ratified, who was appointed at the AGM held on 10th September, 2014 for a period of four years i.e., up to the conclusion of 38th Annual General Meeting to be held in year 2018, and the remuneration shall be decided by the Board of Directors, on recommendation of Audit Committee, including reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of audit.”

Special Business:

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

“Resolved that pursuant to the provisions of Section 149 of the Companies Act, 2013 & its Schedule IV (as amended or re-enacted from time to time) read with Rule No. 4 of the Companies (Appointment and Qualifications of Directors) Rules 2014, Mrs. Anjum Saxena(DIN: 07587808)be and is hereby appointed as Independent Director on the Board of the Company for a period of 1 (One)year with effect from the date of Annual General Meeting.

Resolved further that pursuant to section 149, 152, 164, 165 & 184 of the Companies Act, 2013 (as amended or re-enacted from time to time) (hereinafter referred to as Act) read with Rule No. 8 & 14 of the Companies (Appointment and Qualifications of Directors) Rules 2014, the consent for appointment as director of the Company given in Form No DIR-2 along with declaration that she is not disqualified to be appointed as director in DIR-8, meets the criteria of independence as prescribed in the Act, will abide by the code of conduct prescribed in Schedule IV to the Act and that post appointment his number of director will be within the maximum number allowed under the Act and disclosure of interest, as laid before the meeting and duly initialed by the Chairman for purpose of identification, be and is hereby take note off.”

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

“Resolved that pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,00,000/- (Rupees One Lac Only), inclusive of all

expenses, of M/s V.K. Dube & Co. (FRN: 000343) for auditing the Company's cost accounting records for the Financial Year 2016-17, as recommended by the Audit Committee and approved by the Board of Directors be and is hereby ratified."

For and on Behalf of the Board
MAGNUM VENTURES LIMITED

Date : 12th August, 2016
Place : Delhi

Sd/-
PRADEEP KUMAR JAIN
Managing Director
DIN: 00024879

Note:

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

2. Members/ Proxies should bring duly filled attendance slips attached herewith for attending the meeting.

3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.

4. The Register of Members and Transfer Books of the Company will remain closed from Tuesday, September 13, 2016 to Monday, September 19, 2016, both days inclusive, for the purpose of Annual General Meeting.

5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact to RTA of the Company for assistance in this regard.

6. You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

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

We therefore invite all our shareholders to contribute to the cause by filling up the form to receive communication from the Company in electronic mode. You can download the Email Registration Form from the website of the Company www.magnumventures.com.

7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write at least 7 (Seven) days before the date of meeting so that it may be convenient to get the information ready at the meeting.
9. Route map of the venue of the meeting is attached herewith.
10. Electronic copy of the Notice of the 36th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ RTA/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. The procedure and instructions for e-voting as given in the Notice of the 36th Annual General Meeting are again reproduced hereunder for easy reference:

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/ Depositories):
 - a. Open e-mail and open PDF file viz.”ACL-remote e-Voting.pdf” with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select “EVEN” of “Magnum Ventures Limited”.
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - j. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to munish_171@yahoo.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 36th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 12th September, 2016.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th September, 2016, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or to RTA (MAS Services Limited).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. Mr. Munish Kumar Sharma, Practicing Company Secretary (Membership No. FCS-6031 & CP No. 6460), of M/s. Munish K. Sharma & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- K. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.magnumventures.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

12. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for Financial Year ended 31st March, 2016 shall also be available on the Company's website www.magnumventures.com for their download. The physical copies of the aforesaid documents will also be

available at the Company's Registered Office at New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

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

Item No. 5

Board of Directors in its meeting held on 12th Day of August, 2016 recommends name of Mrs. Anjum Saxena (DIN: 07587808) as Independent Director of the Company, as per the applicable provisions of the Companies Act, 2013 to the shareholders.

Pursuant to Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mrs. Anjum Saxena as Independent Director to hold office for One (1) year for a term up to 19th September, 2017.

Mrs. Anjum Saxena is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has also received declaration from Mrs. Anjum Saxena that she meet with the criteria of independence as prescribed both under Section 149 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mrs. Anjum Saxena fulfils the conditions specified in the Act and the rules made there under and she is independent of the management.

Mrs. Anjum Saxena is a qualified Advocate by Profession and she has specialization in various Laws and has around 5 years of experience in area of Corporate and Legal and she does not hold any directorships and memberships/chairmanships of Board Committees.

Mrs. Anjum Saxena is interested in the resolutions set out at item no. 5 of the Notice.

None of the other Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise.

The Board recommends the Ordinary Resolution for item no. 5 of the Notice for the approval of the Shareholders.

Item No. 6

M/s V.K. Dube & Co., Cost Accountants has (FRN: 000343) been appointed as Cost Auditors of the Company by the Board in its meeting dated 30th May, 2016 to audit the cost records of the Company at a remuneration of Rs. 1,00,000/- (Rupees One Lac only). Further, Rule 14 of the Companies (Audit and Auditors) Rule, 2014 remuneration of the Cost Auditors requires the ratification of the shareholders.

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

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 36th Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2016. The financial highlights for the year under review are given below:

FINANCIAL HIGHLIGHTS

(Amount Rs. in lacs)

Particulars	Financial Year ended 31st March, 2016	Financial Year ended 31st March, 2015
Total Income	23,106.04	22,392.26
Total Expenditure	32,557.04	26,983.06
Profit /(Loss) Before Tax	-9,451.00	-4,590.80
Effect of Extra Ordinary Item	284.61	-2,739.87
Provision for tax	0.00	0.00
Income Tax for Earlier Years	0.00	1.20
Deferred Tax	0	0
Profit After Tax	-9,166.39	-7,331.87
Balance b/ f from Last Year	-1,342.07	-6,065.62
Effect due to application of Schedule II	0.00	-23.19
Balance Carried to Balance Sheet	-10,508.46	-13,420.69
Transfer to Reserve	0.00	0.00
Paid-up Share Capital		
Equity Shares	3,760.19	3,760.19
Preference Shares	2,500.00	2,500.00
Reserves and Surplus (excluding revaluation reserve)	-18,719.27	-9,552.87
Earnings per share	-24.38	-19.50

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIR

Year in Retrospect

During the year under review, total income of the Company was Rs. 23,106.04Lacs as against Rs.22,392.26Lacs in the previous year reflecting Y-O-Y growth of 3.18%. During the current reporting period, the Company has suffered a loss of Rs. 9,166.39lacs. Depreciation of Rs. 2,424.55 Lacs and interest accrued of Rs. 5,327.59 Lacs.

The main reason for non-recovery of Depreciation and Interest in total are as under:

1. High Inflation rate faced by Indian economy.
2. Coal Price, Petroleum Products, Transportation Costs on Peak Levels.
3. Declining in hotel rooms and occupancy rates.
4. High Competition and low operating Margin.

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

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

Segments

Paper Division

We are pleased to inform to our stakeholders that, at present, the Company is manufacturing the following Products:

- a. Paper Board
- b. Newsprints

Benefits of Manufacturing Paper Board

1. Demand has been increased by reason of increase in the volume of packaged material by consumers.
2. As the plasting bags are hazardous for environment, hence, demand of Paper Board has also been increased.
3. Almost manufacturing are based on orders/ demands, hence, the risk of spoilage are less.
4. Less expenditure on stock/ inventory management.

Benefits of Manufacturing Newsprints

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

The Detail of Paper Board & Newsprints manufacture and sale during the Fiscal year 2015-16 and 2014-15 are as under:

(In MT)

Particular	2015-16	2014-15
Production	75,080	71,693
Sale	75,019	71,676

Hotel Division

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

DIVIDEND

As the Company has suffered losses during current year due to the increase in the raw material cost, increase in Petroleum products worldwide, increase in the Coal price by the Central Govt. declining in the occupancy and room rental in hotel division and increased 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, 2016.

DIRECTORS AND KMPs

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Pramod Kumar Jain and Mr. Abhey Kumar Jain are liable to retire by rotation and being eligible offer themselves for re-appointment.

The brief resumes of the directors who are to be appointed/ re-appointed and have been appointed, the nature of their expertise in specific functional areas, names of companies in which they have held directorships, committee memberships/ chairmanships, their shareholdings etc. are furnished in Corporate Governance Report attached with this report.

Resignation by Independent Directors

Mr. Shri Krishan Jain and Mr. Naveen Jain served their resignation dated 28.01.2016 to the Company which was noted by the Board of Directors in their meeting dated 12th February, 2016.

Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board confirming that they fulfill all the requirements to qualify for their appointment as Independent Director under the provisions of the Companies Act, 2013 as the Listing Agreement.

Resignation of Nominee Director

Mr. B N Mishra, Nominee Director on behalf of Punjab National Bank has tendered his resignation letter dated 20.07.2015 to the Company and was accepted.

Regularisation of Additional Director

Ms. Monisha Chaudhary, who was appointed as the additional director of the Company w.e.f. 12.02.2015 has been regularized in the 35th Annual General Meeting dated 25th September, 2015 by the shareholders of the Company.

Renewal/ Reappointment of term of Managing Director

Pursuant to the provisions of Section 190, 196, 197 and any other applicable provisions of Companies Act, 2013("the Act") and rules made thereunder Mr. Pradeep Kumar Jain (DIN: 00024879) was re-appointed as the Managing Director of the Company w.e.f. 04.02.2016. His appointment has been ratified by the shareholders in the 35th Annual General Meeting dated 25th September, 2015.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities & Exchange Board of India (SEBI) under SEBI (LODR) Regulations, 2015. The Company has devised an evaluation matrix for the performance evaluation and collates the evaluation results internally.

A meeting of Independent Director was held on 30th March, 2016 without the attendance of other directors (Non-Independent) to review the performance of Non-Independent Directors, the Board as a Whole, Chairman of the Company/ Meetings, to assess the flow of information between Company Management and the Board. It was noted that the Board is broad based, information is timely provided, decisions are taken after due deliberations, Board members are encouraged by the Chairman to participate and offer their independent advise based on their experience and act in the best interest of the company and its stakeholders.

MATERIAL CHANGES

During the financial year 2015-16, Punjab National Bank, Lead member of consortium lenders has withdrawn the nomination of Mr. Bikash Narayan Mishra from the post of Nominee Director in the Company. And the Board has noted in its meeting dated 30th July, 2015 the cessation of Mr. Bikash Narayan Mishra.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of Companies Act, 2013.

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

Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is included in *Annexure I*. However, 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.

PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act 2013, read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as *Annexure II* to this Report.

The Company does not have any employees employed throughout the Financial Year and in receipt of remuneration of Rs.1.02 Crore or more, or employed for part of the year and in receipt of Rs.8.5 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

HUMAN RESOURCE DEVELOPMENT

The Company has been successful in building a performance oriented culture with high levels of engagement and empowerment in an environment of teamwork. The focus has been on creating reserves through cross functional and inter-disciplinary exposure at all levels to ensure redundancy and robustness in the organization. The morale of the team is at a high level.

VIGIL MECHANISM

A vigil mechanism of the Company which also includes a Whistle Blower Policy pursuant to Section 177(9) & 10 of Companies Act, 2013, has also been established and can be accessed on the Company website.

AUDIT COMMITTEE

The Audit Committee comprised of Independent Directors namely Mr. Shri Krishan Jain, Chairman and Mr. Rakesh Garg, Mr. Naveen Jain as other members. Thereafter, the Audit Committee reconstituted and comprised of Mr. Subash Oswal, Mr. Shri Krishan Jain, Mr. Naveen Jain and Mr. Rakesh Garg as members. All the recommendations made by the Audit Committee were accepted by the Board. However, Mr. Shri Krishan Jain and Mr. Naveen Jain resigned from the Board w.e.f 28.01.2016, thereby, disturbing the composition of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprised of Independent Directors namely Mr. Shri Krishan Jain, Chairman and Mr. Rakesh Garg, Mr. Naveen Jain as other members. Thereafter, the Nomination and Remuneration Committee reconstituted and comprised of Mr. Subash Oswal, Mr. Shri Krishan Jain, Mr. Naveen Jain and Mr. Rakesh Garg as members. All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board. However, Mr. Shri Krishan Jain and Mr. Naveen Jain resigned from the Board w.e.f 28.01.2016, thereby, disturbing the composition of the Nomination and Remuneration Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprised of Independent Directors namely Mr. Shri Krishan Jain, Chairman and Mr. Rakesh Garg, Mr. Naveen Jain as other members. Thereafter, the Stakeholders Relationship Committee reconstituted and comprised of Mr. Subash Oswal, Mr. Shri Krishan Jain, Mr. Naveen Jain and Mr. Rakesh Garg as members. All the recommendations made by the Stakeholders Relationship Committee were accepted by the Board. However, Mr. Shri Krishan Jain and Mr. Naveen Jain resigned from the Board w.e.f 28.01.2016.

MEETINGS OF THE BOARD

The Board of Directors met at six times on 4th May 2015, 30th July 2015, 13th August 2015, 12th November 2015, 13th January 2015 and 12th February 2016 during the Financial Year 2015-16.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No disclosure or reporting is required in respect of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 as there was no transaction under the above stated heads.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Agreement.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website www.magnumventures.in. The current and the future transactions are/ will be deemed to be 'material' in nature as defined in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") as they may exceed 10 per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity. All related party transactions shall require prior approval of the audit committee as per Regulation 23 (2) of the SEBI (LODR) Regulations, 2015 and all material related party transaction shall require approval of shareholders through resolution and the related party shall abstain from voting on such resolution whether the Company is a related party to the particular transaction or not.

RISK MANAGEMENT

Your Company has established the Risk Management System to mitigate the risk faced by the Company in the ordinary course of business. In the opinion of the Board, there is no risk which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL

The Company has in place internal financial controls with reference to financial statements.

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 SEBI (LODR) Regulations, 2015 with the Stock Exchanges. For the year ended March 31, 2016, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Munish Kumar Sharma, Company Secretary in Practice on confirming compliance of the conditions of

Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges (“Listing Agreement”) for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) for the period December 1, 2015 to March 31, 2016 is annexed in **Annexure –III**.

AUDITORS AND AUDITORS’ REPORT

Statutory Auditors

At the Annual General Meeting held on 10th September, 2014, M/s Aggarwal & Rampal, Chartered Accountants (FRN: 003072N), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 38th Annual General Meeting to be held in year 2018. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Aggarwal & Rampal, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

The notes on financial statements referred to in the Auditor’s report are self-explanatory and do not call for any further comments.

The Auditor’s Report does not contain any qualification, reservation or adverse remark **except the following:**

In Audit Report

1. Debtors including Rs. 1098.35 lacs which are due for more than 6 months out of which debtors of Rs. 110.13.lacs are under litigation.
2. No provision has been made by the Company for outstanding claims receivable from its suppliers for Rs. 1394.88 lacs.
3. The Company has got exit from the CDR Package on account of failure of approved restructuring package.
4. Balances of Debtors and Creditors are subject to confirmation and reconciliation consequential effect.

In CARO

1. The Company has defaulted in the repayment of loans and borrowings to financial institutions. The Company has got exit from the CDR Package on account of failure of approved restructuring package.

Directors Response

In Audit Report

1. The Company is following with the debtors for recovery of old dues and taking necessary steps for recovering the old dues amount. Further Company has filed case u/s 138 of Negotiable Instrument Act 1881 for debtor of Rs. 110.13 lacs and expected to recover soon
2. The Company is following with the suppliers for recovery of outstanding claims and taking necessary steps for recovering the old dues amount.
3. The Company got final approval of 2nd Re-work package from CDR EG on 31-01-2014 and MRA signed by all the banks on 31-07-14. Banks has to reconcile each account as per stipulations of CDR

package and re-calculate the interest with retrospective effect i.e. from 01-04-2013 and necessary adjustment entries to be recorded in the system. In February 16, all the banks approached CDR EG to exit the account from CDR and given their mandate for exit from CDR and CDR EG approved the Exit Proposal vide letter dated 22nd March 2016. After the exit from CDR, the stipulation of CDR packages stands null & void.

4. Balance of debtors and creditors are confirmed by the management.

In Caro

The Company got approval from CDR EG for second rework vide LOA dated 30th December 2013 and as per CDR guidelines, the package should be implemented within 120 days from the date of approval. None of the member banks implemented the packages as per CDR Guidelines. In February 16, all the banks approached CDR EG to exit the account from CDR and given their mandate for exit from CDR and CDR EG approved the Exit Proposal vide letter dated 22nd March 2016. After the exit from CDR, the stipulation of CDR packages stands null & void

COST AUDITORS

Companies (Cost Records and Audit) Amendment Rules, 2014 mandates Paper Industry to get the audit of its cost records after a prescribed turnover of the product for the Financial Year commencing on or after 1st April, 2015. And the Company is required to get its cost record audited for the Financial Year 2015-16. M/s V.K. Dube & Co., Cost Accountants, is appointed as Cost Auditors of the Company to audit the cost records of the Company for Financial Year 2015-16.

Particulars of Cost Auditors' are mentioned below:

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

INTERNAL AUDITOR

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

Particulars of Internal Auditors' are mentioned below:

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

SECRETARIAL AUDITOR

The Board has appointed M/s. Munish K Sharma & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for Financial Year 2015-16. The Secretarial Audit Report for the Financial Year ended 31st March, 2016 is annexed herewith marked as **Annexure IV** to this Report.

Particulars of Secretarial Auditors are mentioned below:

Name of the Secretarial Auditor's Firm	M/s Munish K Sharma & Associates, Company Secretaries
Membership Number of Secretarial Auditor	F-6031
Address:	AAF 14, Shipra Krishna Azure, Kaushambi, Ghaziabad, U.P.-201010
E-mail id	munish_171@yahoo.com

The Secretarial Auditor's report is self-explanatory and do not call for any further comments **except for the following:**

1. *The Company has not renewed its 5 (Five) Star License for Hotel Business issued from Ministry of Tourism, which has expired on 28th July, 2015. However, the Company is still carrying on its business in 5 (Five) Star category.*

Director's Response:

The Company is in process to renew its 5 (Five) Star License for Hotel Business issued from Ministry of Tourism, which has expired on 28th July, 2015

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 134(5) of the Companies Act, 2013, 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 for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed and there is no material departure from the same;
- b. the Directors had 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 at the end of 31st March, 2016 and of the profit and loss of the Company for that period;
- c. the Directors had 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;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SIGNIFICANT & MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-16, no complaints were received by the Company related to sexual harassment.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as *Annexure V*.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is part of this report and attached as *Annexure VI*.

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 2016-17 has already been paid to the Bombay Stock Exchange and National Stock Exchange.

ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

During the year, the Company enhanced its efforts to address Health, Safety and Environment matters. The Safety & Health of employees and external stakeholders are embedded in the core organizational values of the Company. The Health & Safety Policy aims to ensure safety of public employees, plant & equipment, ensure compliance with all statutory rules and regulations, imparting training to its employees, carrying out safety audits of its facilities, and promoting eco - friendly activities.

The Company continues to maintain excellent track record on safety. The site had no accidents during the year 2015-16. MVL also has a Committee for the safeguard of its workmen. This Committee meets at regular intervals to take measures for worker's protection in order to make the Company a safe place to work.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB- SECTION (12) OF SECTION 143

As per the explanations given by the Auditors in their report no material fraud on or by the Company or any fraud in the Company by its officers or employees has been noticed or reported during the year.

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES DURING THE YEAR

No Company has become or ceased to be subsidiary/joint venture/associate company of the Company during the year under review. Hence, Form AOC 1 containing salient features of the subsidiary/joint venture/associate company is not required.

CAPITAL STRUCTURE:

The paid up share capital of the Company is Rs. 62,60,18,840/- (Rupees Sixty Two Crore Sixty Lakhs Eighteen Thousand Eight Hundred and Forty Only) comprising of 3,76,01,884 fully paid up equity shares of Rs. 10/- each amounting to Rs. 37,60,18,840 and 25,00,000 Non- Cumulative Preference Shares of Rs. 100/- each amounting to Rs. 25,00,00,000/- . The Company has neither made any issue/allotment nor made any buy back of securities during the Financial Year 2015-16.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Bankers and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
MAGNUM VENTURES LIMITED

Sd/-	Sd/-
Pradeep Kumar Jain	Abhey Kumar Jain
Managing Director	Whole Time Director

Date: 12th August, 2016
Place: Delhi

A. Disclosure of Particulars with respect to Conservation of Energy :

Power and fuel Consumption

1 Electricity

(a) Purchased

	Current Year (2015-16)	Previous Year (2014-15)
Unit	10999788	10590203
Total Amount	88956788	80796048
Rate/Unit	8.09	7.63

(b) Own generation

(i) Through Diesel Generator

Unit	1047060	464940
Units per ltr. of diesel oil	3.00	3.00
Cost/Units	15.02	18.23

(ii) Through steam turbine

Units	38216606	33692282
Units per kgs of Coal/Petcoke	1.17	1.18
Cost/Units	4.78	5.18

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

Particulars

Quantity	IN MT	44881.00	39713.825
Total Cost	IN LACS	3109.83	3196.81
Average rate	IN MT	6929.06	8049.61

3 Furnace oil

Quantity	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil

4 Others /Internal generation (please give details)

Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

Consumption per unit of production

	Current Year 1	Previous Year 2
Production Kg.	75080303	71692853
Electricity (per Unit.)	0.67	0.62
Furnace oil	Nil	Nil
Coal & Pet Coke (Per kg.)	0.60	0.55
Others (Specify)	Nil	Nil

B. Disclosure of particulars with respect to Technology Absorption

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

C. Foreign Exchange Earnings And Outgo:

i. Import and Export Activities: During the year under review the Company have made

Import/ Export as given below: *(Amount in Rs. Lacs)*

Total Import: Paper		891.63
Hotel		Nil
Total Export: Paper		Nil
Hotel		Nil

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

Total Foreign Exchange Inflow:		Nil
Paper		584.83
Hotel		
Total Foreign Exchange Outflow:		Nil
Paper		27.30
Hotel		

ANNEXURE II

Section 197(12) of the Companies Act 2013, read with Rule 5(1) and 5(2) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

PART-A

- (i) **The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year;**

The following table shows the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year

S. No	Name of the Director	Remuneration	Median Remuneration	Ratio
1.	Mr. Pradeep Kumar Jain	Rs. 7,20,000	6,00,000	1.20
2.	Mr. Parmod Kumar Jain	Rs. 4,80,000	6,00,000	0.80
3.	Mr. Abhey Kumar Jain	Rs. 4,80,000	6,00,000	0.80
4.	Mr. Shiv Pravesh Chaturvedi	Rs. 6,09,900	6,00,000	1.02
5.	Ms. Monisha Chaudhary	Rs. 3,24,000	6,00,000	0.54

- (ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Due to the loss suffered by the Company in the recent years, the Company was not in a position to increase the remuneration payable to the directors. Moreover, the Company Secretary and Chief financial Officer were appointed during the current year only.

- (iii) **The percentage increase in the median remuneration of employees in the financial year;**
There have been 12.03 percent increase in the median remuneration of employees during the financial year 2015-16.

- (iv) **The number of permanent employees on the rolls of the Company**
The total number of employees on the rolls of the Company is as follow:

At the beginning of the year: 872

At the end of the year: 856

- (v) **Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentile increase in the salaries of employees during the financial year 2015-16 has been 12.02 percent. There has been no increase in the remuneration of managerial personnel pertaining to the weak financial condition of the Company.

- (vi) **The remuneration is as per the remuneration policy of the Company.**

PART-B

The details of employees (As per the Company (Appointment and Remuneration of Managerial Personnel) Amended Rules:

- III.** If employed throughout the financial year, was in receipt of remuneration for that year, in the aggregate, was not less than One Crore Two lakh rupees: **NOT APPLICABLE**
- IV.** If employed for a part of financial year, was in receipt of remuneration for any part for that year, at a rate which, in the aggregate was not less than Eight Lakh Fifty Thousand per month: **NOT APPLICABLE**
- V.** The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act 2013, read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name	Age	Designation	Date of Join	Date of Exit	Qualification	Total Experience	Last Employer	Annual Net Earning
1	Neeraj Pal Singh Tomar	43	Executive Housekeeper	12/5/2008	-	PGD in Accommodation Management	17.6	Crowne Palaza Today Gurgaon	944446
2	Samar Goyal	31	Director of Sales - Corporate	12/6/2013	-	B. Sc in Hotel Management	8.6	The Grand, New Delhi	967765
3	Rajesh Kadyan	32	Director Sales - Corporate	7/12/2010	-	Hotel Management	10.0	VCI Hospitality Ltd. New Delhi as Sales Manager	972049
4	Anil Tandon	57	Director - Strategic Planning	7/7/2015	2/16/2016	Post Graduated Diploma in Hotel Management	33.1	Tivoli Group, New Delhi	979853
5	Ravinder Thakur	50	General Manager (Security & Operational Control)	7/1/2009	-	Graduation	29.1	Radisson MBD Hotel, Noida	1033609
6	Naresh Chandra Sharma	62	Director - Human Resources	5/7/2009	-	PGDBA + Dip. In HRD	39.2	AHA (Air Hostess Academy Pvt. Ltd.)	1188010
7	Rajendra Singh Bapna	66	President	13/01/2014	-	B.Tech (Chemical)	40.0		1231500
8	SushilChander Chug	63	General Manager	11/26/2009	-	Hotel Management	36.7	The Lalit, New Delhi	1237435
9	Sukhpreet Kaur Bedi	39	Director of Business Development	3/8/2010	-	B.A.	21.4	Imperial Hotel	1545152
10	Mandeep Surie	46	Vice President	1/2/2014	-	Hotel Management	22.6	Radisson Greater Noida	1978144

ANNEXURE III

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement of the Company with the Stock Exchanges (“Listing Agreement”) for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) for the period December 1, 2015 to March 31, 2016 a Report on Corporate Governance is given below:

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Magnum Ventures Limited (“the Company”) strives to follow the best corporate governance practices, develop best policies/ guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. The Company is in compliance with the provisions of Corporate Governance specified in the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange. The Company is committed to meet the expectations of stakeholders as a responsible corporate citizen. The Magnum Code of Conduct contains the fundamental principles and rules concerning ethical business conduct.

2. BOARD OF DIRECTORS (Regulation 17)

The Board is striving to achieve optimum combination of Executive, Non-Executive and Independent Directors. The Company has total 8 (eight) directors on the Board as on 31st March, 2016. 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 & CFO	Executive & Promoter	Nil	Nil	Nil
Mr Praveen Kumar Jain Director	Non-Executive & Promoter	Nil	Nil	Nil
Mr. Subash Oswal Director	Non-Executive & Independent	Nil	Nil	Nil
Mr Rakesh Garg Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Shiv Pravesh Chaturvedi Director	Executive	Nil	Nil	Nil
Ms. Monisha Chaudhary Director	Executive	Nil	Nil	Nil

Directors' Attendance Record

The Board of Directors met at six times on 4th May, 2015, 30th July 2015, 13th August, 2015, 12th November 2015, 13th January, 2016 and 12th February 2016 during the financial year 2015-16. 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 120 days between two meetings as prescribed in the Listing Agreement and Listing Regulations, 2015. Details of attendance of Directors in the Board meeting during the financial year 2015-16 are as under:

Sl. No.	Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
1	Mr Abhey Kumar Jain	6	6	Yes
2	Mr Pradeep Kumar Jain	6	6	Yes
3	Mr Parmod Kumar Jain	6	6	Yes
4	Mr Praveen Kumar Jain	6	1	No
5	Mr Subash Oswal	6	6	Yes
6	Mr Shri Krishan Jain	6	5	Yes
7	Mr Rakesh Garg	6	6	Yes
8	Mr Naveen Jain	6	5	Yes
9	Mr Shiv Pravesh Chaturvedi	6	6	No
10	Ms. Monisha Chaudhary	6	6	Yes
11	Mr Bikash Narayan Mishra*	6	2	No

*Nominee Director

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

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

Particulars	Mrs. Anjum Saxena	Mr. Pramod Kumar Jain	Mr. Abhey Kumar Jain
DIN	07587808	01222952	01876385
Father's Name	Mr. Anoop Krishna Saxena	Mr. Salek Chand Jain	Mr. Vinod Kumar Jain
Date of Birth	02-08-1988	02-04-1956	03-09-1974
Address	B-532, Panchvati, Vikaspuri, Delhi-110018	4326/3, Ansari Road, Darya Ganj, New Delhi-110002	4326/3, Ansari Road, Darya Ganj, New Delhi-110002
Designation	Independent Director	Director	Director
Education	B.A. LLB, LLM	B. Com from Delhi University	BA from Delhi University
Experience	5 Years	35 Years	20 Years

Companies in which holds Directorship	Nil	Nil	Nil
Companies in which holds membership of Committees	Nil	Nil	Nil
Shareholding in the Company (No. & %)	Nil	<u>Equity Shares:</u> No.: 2,00,150	<u>Equity Shares:</u> No.: 3,02,600

3. AUDIT COMMITTEE (Regulation 18)

Powers

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference

The Audit Committee has been entrusted with the job of reviewing the reports of the Internal Auditors and the Statutory Auditors periodically and discussing their findings and suggesting corrective measures. The role of the Audit Committee is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for the appointment, remuneration and terms of appointment of the auditor.
- Approval of payment to statutory Auditors for any other services rendered by the statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :
 - a. Matters required being included in the Directors Responsibility Statements to be included in the Board's report in terms of Clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified Opinions in the draft audit report.
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussing with Internal Auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal auditors reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(b) Composition

The Committee was last reconstituted on 13th January, 2016.

The Audit Committee comprises Four Directors with the Chairman, being an independent director, with expertise in financial and accounting areas.

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

Mrs. Monisha Chaudhary, Company Secretary, acts as the Secretary to the Audit Committee.

On 28.01.2016, the company received resignation of Mr. Shri Krishan Jain and Mr. Naveen Jain, which disturbed the composition of the Audit Committee. However, the company is striving to maintain the composition of the committee again. That's the reason; the company has proposed the appointment of Ms. Anjum Saxena as independent director on the Board.

(c) Attendance

The Committee met four (4) times during the Financial Year 2015-2016 on the following dates: 02.05.2015, 12.08.2015, 11.11.2015 and 11.02.2016. 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. Subash Oswal	Non-Executive Independent Director	1
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	3
Mr. Rakesh Garg, Member	Non-Executive Independent Director	4
Mr. Naveen Jain	Non-Executive Independent Director	3

4. STAKEHOLDERS RELATIONSHIP COMMITTEE (REGULATION 20)**(i) Terms of Reference**

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

(ii) Composition

The Stakeholders Relationship Committee comprised of the following directors:

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

Ms. Monisha Chaudhary, Company Secretary, as the Secretary to the Stakeholders Relationship Committee.

On 28.01.2016, the company received resignation of Mr. Shri Krishan Jain and Mr. Naveen Jain.

(iii) Ms. Monisha Chaudhary, Company Secretary of the Company is the Compliance Officer of the Company for the purpose of the Listing Agreements to look after the compliances under the SEBI(LODR)Regulations, 2015.

(iv) Detail of investor/ security holder complaints received and redressed during the year 2015-16 are as follows:

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

(v) Attendance

The Committee met four (4) times during the Financial Year 2015-16 on the following dates: 01.05.2015, 10.08.2015, 10.11.2015 and 10.02.2016. 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. Subash Oswal, Chairman	Non-Executive Independent Director	1
Mr. Shri Krishan Jain, Member	Non-Executive Independent Director	3

Mr. Rakesh Garg, Member	Non-Executive Independent Director	4
Mr. Naveen Jain, Member	Non-Executive Independent Director	3

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

5. NOMINATION & REMUNERATION COMMITTEE

(a) Terms of Reference

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

(b) Composition

The Committee was last reconstituted on 13th January, 2016. The Remuneration Committee consists of Four Directors, all of them being non-executive and independent directors.

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

Mrs. Monisha Chaudhary, Company Secretary, acts as the Secretary to the Nomination and Remuneration Committee

On 28.01.2016, the company received resignation of Mr. Shri Krishan Jain and Mr. Naveen Jain, which disturbed the composition of the Nomination & Remuneration Committee. However, the company is striving to maintain the composition of the committee again. That's the reason; the company has proposed the appointment of Ms. Anjum Saxena as independent director on the Board.

(c) Attendance

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

The Committee met Two (2) times during the Financial Year 2015-2016 on the following dates: 30.07.2015 and 10.08.2015. Details of attendance of Directors in the Nomination & Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the Nomination & Remuneration Committee Meeting
Mr. Subash Oswal	Non-Executive Independent Director	No meeting held since his appointment in Committee
Mr. Shri Krishan Jain, Chairman	Non-Executive Independent Director	1
Mr. Rakesh Garg, Member	Non-Executive Independent Director	1
Mr. Naveen Jain, Member	Non-Executive Independent Director	1

(d) Remuneration Policy of the Company

The Managing Director and Executive Directors of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 2013. Mr. Pradeep Kumar Jain, Managing Director, Mr. Abhey Kumar Jain, Whole Time Director and Mr. Pramod

Kumar Jain, Chief Financial Officer and Director, Mr. Shiv Pravesh Chaturvedi, Executive Director and Ms. Monisha Chaudhary, Company Secretary and Director of the Company have received remuneration for the financial year 2015-16. No sitting fees were paid to the Non-Executive Directors for attending Board and Committee meetings.

(e) Details of the Directors' Remuneration for the financial year ended 31st March, 2015

Name of Director	Salaries & Perquisites (in Rs.)	Commission, Bonus Ex-gratia (in Rs.)	Sitting Fees (in Rupees)	Total Amount (in Rs.)	No. of Equity Shares held & %
Mr. Abhey Kumar Jain Whole-Time Director	4,80,000	Nil	Nil	Nil	302600 (0.80%)
Mr. Pradeep Kumar Jain Managing Director	7,20,000	Nil	Nil	Nil	200650 (0.53%)
Mr. Parmod Kumar Jain Director & CFO	4,80,000	Nil	Nil	Nil	200150 (0.53%)
Mr. Praveen Kumar Jain Director	Nil	Nil	Nil	Nil	16648510 (44.27%)
Mr. Shiv Pravesh Chaturvedi Director	6,09,900	Nil	Nil	Nil	NIL
Mrs. Monisha Chaudhary Director & CS	3,24,000	Nil	Nil	Nil	NIL
Mr. Subash Oswal Director	Nil	Nil	Nil	Nil	NIL
Mr. Shri Krishan Jain Director	Nil	Nil	Nil	Nil	NIL
Mr. Rakesh Garg Director	Nil	Nil	Nil	Nil	NIL
Mr. Naveen Jain Director	Nil	Nil	Nil	Nil	NIL
Mr. Bikash Narayan Mishra Nominee Director	Nil	Nil	Nil	Nil	NIL

6. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2013	13.08.2013	11, Vishnu Digamber Marg, Near Bal Bhawan, New Delhi 110 002	03:00P.M.	4
2014	10.09.2014	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	11:00 AM	2
2015	25.09.2015	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	11:00 AM	0

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2013	13.08.2013	<ul style="list-style-type: none"> • Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Vinod Kumar Jain as the President of the Company. • Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Ritesh Jain as the Vice- President of the Company. • Approval of the members pursuant to the provisions of the Section 314 of the Companies Act, 1956 for the appointment of Mr. Rishab Jain as the Vice-President of the Company. • Approval of the members pursuant to the provisions of the Section 198, 309, 310, 314 of the Companies Act, 1956 for the appointment of Mr. Pramod Kumar Jain as the Director-Sales & Marketing of the Company.
2014	10.09.2014	<ul style="list-style-type: none"> • Approval to Board for borrowing any sums of money from time to time from any one or more persons, firms, body corporate, etc. • Approval to Board for mortgage hypothecates, pledge, charge or encumber moveable or immoveable properties of the Company.
2015	25.09.2015	NIL

7. DISCLOSURES

(a) Related Party Transactions

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

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

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

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Schedule V (Regulation 34(3) and 53 (f)) of SEBI(LODR) Regulations, 2015.

8. CODE OF CONDUCT

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

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

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

Sd/-
Pradeep Kumar Jain
Managing Director

9. MEANS OF COMMUNICATION

- (a) At present quarterly/ half-yearly reports are not being sent to each of shareholders.
- (b) The Quarterly / half-yearly / annual results are published in The Financial Express (English) and Jansatta (Hindi) Newspapers.
–and displayed on Company’s website: www.magnumventures.in
- (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
Monday, 19 th September, 2016	11:00 A.M.	Galib Institute, AIWAN-E GALIB MARG, New Delhi-110002

ii) Financial Calendar

Event	Tentative Time Frame
Financial Reporting for the 1 st quarter ended 30 th June, 2016	2 nd week of August, 2016
Financial Reporting for the 2 nd quarter ended 30 th September, 2016	2 nd week of November, 2016
Financial Reporting for the 3 rd quarter ended 31 st December, 2016	1 st week of February, 2017
Financial Reporting for the 4 th quarter ended 31 st March, 2017	Third week of May, 2017

iii) **Dates of Book Closure:** 13th September, 2016 to 19th September, 2016 (Both days inclusive)

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

v) **Listing on Stock Exchanges:** Shares of the Company are listed on 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(Cr.)
April 2015	3.99	2.57	0.01
May 2015	3.29	2.50	0.01
June 2015	3.18	2.08	0.01
July 2015	3	2.31	0.01
August 2015	4.11	2.48	0.01
September 2015	3.13	2.66	0.01
October 2015	3.65	2.74	0.00
November 2015	3.15	2.48	0.00

December 2015	4.24	2.73	0.02
January 2016	4.39	2.85	0.02
February 2016	3.60	2.54	0.00
March 2016	3.27	2.60	0.00

Source: 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 2015	3.65	2.60	71,914
May 2015	3.35	2.45	39,347
June 2015	3	2	73,134
July 2015	3	2.35	63,295
August 2015	4.20	2.60	1,88,424
September 2015	3	2.55	27,935
October 2015	3.65	2.60	32,923
November 2015	3.05	2.30	94,844
December 2015	4.15	2.70	1,70,311
January 2016	4.25	3.05	2,07,875
February 2016	3.85	2.95	14,549
March 2016	3.15	2.65	31,083

Source: www.nseindia.com

viii) Registrar and Share Transfer Agent & Share Transfer System

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

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

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

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

ix) Distribution of Shareholding as on 31st March 2016:

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% in Total

(1)		(2)	(3)	(4)	(5)
Up to 5,000		8496	69.909	17926980	4.768
5,001	10,000	1702	14.005	14981950	3.984
10,001	20,000	861	7.085	13846300	3.682
20,001	30,000	342	2.814	9115760	2.424
30,001	40,000	158	1.300	5777200	1.536
40,001	50,000	164	1.349	7848330	2.087
50,001	1,00,000	223	1.835	16970790	4.513
1,00,001 and above		207	1.703	289551530	77.005
Total		12153	100	376018840	100

x) De-materialization of shares and liquidity: As on 31st March, 2016 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: 64/6
Site-IV, Industrial Area,
Sahibabad, Ghaziabad 201 010
Uttar Pradesh

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

Corporate Office:
Magnum Ventures Limited
Plot No. 18/31,
Site-IV, Industrial Area,
Sahibabad, Ghaziabad 201 010
Uttar Pradesh
Phone: 0120- 4199200 (100 lines)
Fax: 0120- 4199234
E-mail: magnumventures@gmail.com

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 2016 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.

Sd/-

Pradeep Kumar Jain
Managing Director

Place: Delhi

Date: 12th August, 2016

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** ('the Company') for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges ("Listing Agreement") for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period December 1, 2015 to March 31, 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementations thereof, as adopted by the Company for ensuring the compliances 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 and the representations made the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement and SEBI Listing Regulations for the respective period as mentioned above.

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrar, other than those which are a subject matter of litigation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Munish K Sharma & Associates
Company Secretaries
Sd/-

Munish Kumar Sharma
Company Secretary
FCS: 6031
CP: 6460

Place: Ghaziabad, U.P.

Date: 12th August, 2016

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
MAGNUM VENTURES LIMITED
(CIN: L21093DL1980PLC010492)
685, Chitla Gate Chawri Bazar
Delhi- 110006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAGNUM VENTURES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Apprenticeship Act, 1961
- (vii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (viii) Employee State Insurance Act, 1948
- (ix) The Equal Remuneration Act, 1976
- (x) The Payment of Gratuity Act, 1972
- (xi) The Minimum Wages Act, 1948
- (xii) The Payment of Wages Act, 1936
- (xiii) Industrial Employment (Standing Orders) Act, 1946
- (xiv) Factories Act, 1948
- (xv) Environmental Laws
- (xvi) Service Tax Act, 1994
- (xvii) Income Tax Act, 1961
- (xviii) The Maternity Benefit Act, 1961
- (xix) Excise Act, 1944
- (xx) Customs Act, 1962
- (xxi) Central Sales Tax & State VAT
- (xxii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (xxiii) The Contract Labour (Regulation and Abolition) Act, 1970
- (xxiv) The Payment of Bonus Act, 1965
- (xxv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- (xxvi) Luxury Tax Act
- (xxvii) The Boilers Act, 1923
- (xxviii) The Uttar Pradesh Shops and Commercial Establishments Act, 1962

(xxix) Food Safety and Standards Act, 2006

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except to the extent mentioned below*:

1. The Company has not renewed its 5 (Five) Star License for Hotel Business issued from Ministry of Tourism, which has expired on 28th July, 2015. However, the Company is still carrying on its business in 5 (Five) Star category.

2. The Company has issued Secured Debentures to the six banks (Consortium of Lenders) worth Rs. 3412.14 Lacs on 31st March, 2014. The charge on such secured debentures has not been registered with the Registrar of Companies, till now. However, the responsible officer of the Company has explained that the charge is not required to be registered with Registrar of Companies as the Debentures were issued as one of the stipulations of CDR Rework Package which is not implemented by Banks; hence, these debentures are cancelled vide letter received from CDR EG dated 22.03.2016.

We further report that:

The composition of Board of Directors is not as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 152 of the Companies Act, 2013 since January, 2016. However, the responsible officer of the Company has explained that on 28th January, 2016 two of our Independent Directors have resigned from their offices, thus leading to the disturbance in the whole Board Structure, Audit Committee Structure and Nomination and Remuneration Committee Structure and also informed that the Company is searching for suitable candidates to take up the position in the Board of Directors so as to fulfil the requirements of applicable regulations. However, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For Munish K. Sharma & Associates
Company Secretaries

SD/-

Munish Kumar Sharma
Company Secretary
M. No.: F6031
C.P. No. 6460

Date: 12th August, 2016

Place: Kaushambi, GZB, UP.

***Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.*

To,
The Members,
MAGNUM VENTURES LIMITED
(CIN: L21093DL1980PLC010492)
685, Chitla Gate Chawri Bazar
Delhi- 110006

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Munish K. Sharma & Associates
Company Secretaries

SD/-

Munish Kumar Sharma
Company Secretary
M. No.: F6031
C.P. No. 6460

Date: 12th August, 2016
Place: Kaushambi, GZB, UP.

ANNEXURE V

Form MGT-9										
EXTRACT OF ANNUAL RETURN										
as on the Financial Year ended on 31st March, 2016										
<i>[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]</i>										
I. REGISTRATION AND OTHER DETAILS										
i)	CIN:-	L21093DL1980PLC010492								
ii)	Registration Date	29/05/1980								
iii)	Name of the Company	MAGNUM VENTURES LIMITED								
iv)	Category / Sub-Category of the Company	Public Limited Company								
v)	Address of the Registered office and contact details	685, Chitla Gate, Chawri Bazar, Delhi-110006. Tel. : 91-0120-4551 138 Fax : 91-0120-4155 141								
vi)	Whether listed company	Yes								
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited T-34, Okhla Industrial Area, Phase-II, New Delhi-110 020 Ph: 011-26387281/82/83 Email: Info@masserv.com Website: www.masserv.com								
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY										
					1. Paper Board and Newsprint Manufacturing					
					2. Hotel					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-										
Sl. No.	Name and Description of main products / services			NIC Code of the Product/ service	% to total turnover of the company					
1	Paper Board			17021	38.02					
2	Newsprint			17012	44.68					
3	Hotel			55101	17.30					
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES								Not applicable		
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
<i>i) Category-wise Share Holding</i>										
Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

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										year
A. Promoters										
(1) Indian										
a)	Individual/ HUF	19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt (s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	0	0	0	0	0	0	0	0	0
e)	Banks/ FI	0	0	0	0	0	0	0	0	0
f)	Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-		19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
(2) Foreign										
a)	NRI's - Individuals	0	0	0	0	0	0	0	0	0
b)	Other - Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-		0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		19960700	0	19960700	53.084	19960700	0	19960700	53.084	0
B. Public Shareholding										
1. Institutions										
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0

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c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FII's	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-		0	0	0	0	0	0	0	0	0
2. Non-Institutions										
a)	Bodies Corp.									
	i) Indian	2663405	0	2663405	7.083	2649341	0	7.05	2649341	
	ii) Overseas									
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8155141	9	8155132	21.688	9389076	9	9389067	24.97	
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6318053	0	6318053	16.802	5029362	0	5029362	13.38	
c)	Others (specify)	504585	0	504585	1.342	550280	0	550280	0.85	

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Sub-total (B)(2):		37601875	0	37601884	46.92	17641175	9	17641184	46.915	
Total Shareholding (B)=(B)(1)+ (B)(2)	Public	37601875	0	37601884	46.92	17641175	9	17641184	46.915	
C. Shares held by Custodian for GDRs & ADRs	Not Applicable									
Grand Total (A+B+C)		37601875	9	37601884	100	37601875	9	37601884	100	
ii) Shareholding of Promoters										
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year		
		No. Of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. Of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares			
1	PRADEEP KUMAR JAIN (HUF)	150100	0.399	0	150100	0.399	0	0		
2	RITA JAIN	178200	0.474	0	178200	0.474	0	0		
3	VEENA JAIN	385000	1.024	0	385000	1.024	0	0		
4	MONIKA JAIN	256600	0.682	0	256600	0.682	0	0		
5	ABHEY KUMAR JAIN	302600	0.805	0	302600	0.805	0	0		
6	PRADEEP KUMAR JAIN	200650	0.534	0	200650	0.534	0	0		
7	ASHA JAIN	176100	0.468	0	176100	0.468	0	0		
8	SALEK CHAND JAIN	175740	0.467	0	175740	0.467	0	0		
9	VINOD KUMAR JAIN	456850	1.215	0	456850	1.215	0	0		
10	PRAVEEN KUMAR JAIN	16648510	44.276	13972490	16648510	44.276	13972490	0		
11	VINOD KUMAR JAIN (HUF).	400100	1.064	0	400100	1.064	0	0		
12	PARMOD KUMAR JAIN (HUF).	430100	1.144	0	430100	1.144	0	0		
13	PARMOD KUMAR JAIN	200150	0.532	0	200150	0.532	0	0		
	Total									

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iii) Change in Promoter's Shareholding		NOT APPLICABLE					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year			
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	At the beginning of the year						
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)						
	At the end of the year						
iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters, and Holders of GDRs and ADRs)							
Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year			
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company		
1.	At the beginning of the year (Mr. Amit Jain)	134000	0.35	0	-		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	-	0	-		
	At the End of the year (or on the date of separation, if separated during the year)	134000	0.35	-	-		
2.	At the beginning of the year (Mr. Vinod Kumar Jain)	107725	0.26	0	-		
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	-	0	-		
	At the End of the year (or on the date of separation, if separated during the year)	107725	0.26	0	-		
3.	At the beginning of the year (Mr. Manesh Jose)	273079		0			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0		0			
	Date	Sold	Buy				
	3/31/2015			273079.00	0.0726%		
	4/10/2015		5996	273079.00	0.0159% 279075 0.0742%		

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	4/17/2015		20	5996.00	0.0001%	279095	0.0742%
	5/1/2015		10	20.00	0.0000%	279105	0.0742%
	5/8/2015		1	10.00	0.0000%	279106	0.0742%
	5/15/2015		3893	1.00	0.0104%	282999	0.0753%
	5/22/2015		15	3893.00	0.0000%	283014	0.0753%
	6/5/2015		1300	15.00	0.0035%	284314	0.0756%
	6/12/2015		3150	1300.00	0.0084%	287464	0.0764%
	6/19/2015		6	3150.00	0.0000%	287470	0.0765%
	7/10/2015		1165	6.00	0.0031%	288635	0.0768%
	7/17/2015		62	1165.00	0.0002%	288697	0.0768%
	7/24/2015		1	62.00	0.0000%	288698	0.0768%
	8/28/2015	250		1.00	-0.0007%	288448	0.0767%
	9/30/2015		5	-250.00	0.0000%	288453	0.0767%
	10/9/2015	75		5.00	-0.0002%	288378	0.0767%
	10/16/2015		11	-75.00	0.0000%	288389	0.0767%
	10/23/2015		110	11.00	0.0003%	288499	0.0767%
	11/6/2015		10	110.00	0.0000%	288509	0.0767%
	11/13/2015	10		10.00	0.0000%	288499	0.0767%
	11/20/2015		8	-10.00	0.0000%	288507	0.0767%
	11/27/2015	190		8.00	-0.0005%	288317	0.0767%
	12/4/2015		200	-190.00	0.0005%	288517	0.0767%
	12/11/2015		12	200.00	0.0000%	288529	0.0767%
	1/8/2016	991		12.00	-0.0026%	287538	0.0765%
	1/15/2016		952	-991.00	0.0025%	288490	0.0767%
	1/22/2016	5		952.00	0.0000%	288485	0.0767%
	3/4/2016		35	-5.00	0.0001%	288520	0.0767%
	3/11/2016		2	35.00	0.0000%	288522	0.0767%
	3/18/2016		191	2.00	0.0005%	288713	0.0768%
	3/25/2016		10	191.00	0.0000%	288723	0.0768%
	3/31/2016		251	10.00	0.0007%	288974	0.0769%
	At the End of the year (or on the date of separation, if separated during the year)		288974.00		0.0769%	0	
4.	At the beginning of the year (Mr. Satya Narayan Kabra)		169073			0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /		0			0	

	transfer / bonus/ sweat equity etc)				
	At the End of the year (or on the date of separation, if separated during the year)	169073		0	
5.	At the beginning of the year (SAFFRON HOME DEVELOPERS PRIVATE LIMITED)	1353393		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	
	At the End of the year (or on the date of separation, if separated during the year)	1353393		0	
6.	At the beginning of the year (STEP TWO CORPORATION LIMITED)	155000		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	
	At the End of the year (or on the date of separation, if separated during the year)	155000		0	
7.	At the beginning of the year (SURABHI JAIN)	403617		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	
	At the End of the year (or on the date of separation, if separated during the year)	403617		0	
8.	At the beginning of the year (TARA CHAND JAIN)	916849		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	
	At the End of the year (or on the date of separation, if separated during the year)	916849		0	
9.	At the beginning of the year (KANISHKA JAIN)	193590		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	
	At the End of the year (or on the date of separation, if separated during the year)	193590		0	
10.	At the beginning of the year (ADROIT FIN SERV PRIVATE LIMITED)	37798		0	
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0		0	

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	At the End of the year (or on the date of separation, if separated during the year)	37798		0	
v) Shareholding of Directors and Key Managerial Personnel:					
Sl. No.	For Each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	At the beginning of the year(Mr. Pradeep Kumar Jain)	200650	0.534	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	200650	0.534	-	-
2.	At the beginning of the year(Mr. Praveen Kumar Jain)	16648510	44.276	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	16648510	44.276	-	-
3.	At the beginning of the year (Mr. Parmod Kumar Jain)	200150	0.532	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	200150	0.532	-	-
4.	At the beginning of the year (Mr. Abhey Kumar Jain)	302600	0.805	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	--
	At the End of the year (or on the date of separation, if separated during the year)	302600	0.805	-	-
V. INDEBTNESS					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount		3,22,28,07,690.02	24,67,09,656.24	0.00	3,46,95,17,346.26

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ii) Interest due but not paid	9,84,84,466.11	0.00	0.00	9,84,84,466.11
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	3,32,12,92,156.13	24,67,09,656.24	0.00	35,68,001,812.37
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	546,906,302.44	0.00	0.00	546,906,302.44
Net Change	546,906,302.44	0.00	0.00	546,906,302.44
Indebtedness at the end of the financial year				
i) Principal Amount	2,774,385,853.69	12,986,5774.24	Nil	2904251627.93
ii) Interest due but not paid	0.00	0.00	Nil	0.00
iii) Interest accrued but not due	0.00	0.00	Nil	0.00
Total (i+ii+iii)	2,774,385,853.69	12,986,5774.24		2904251627.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/ or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Pradeep Kumar Jain (MD)	Abhey Jain (WTD)	---	---	----	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	4,80,000				12,00,000
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0	0				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0				
2	Stock Option	0	0				
3	Sweat Equity	0	0				
4	Commission	0	0				
	- as % of profit	0	0				
	- others, specify...	0	0				

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5	Others, please specify	0	0				
	Total (A)	7,20,000	4,80,000				12,00,000
	Ceiling as per the Act						

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		----	----	---	---	----	
3	Independent Directors	0	0 0	0 0	0 0	0	0
	Fees for attending board/ committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)						
4	Other Non-Executive Directors	0	0	0	0	0	0
	Fees for attending board/ committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0	0
	Overall Ceiling as per Act						

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,24,000	4,80,000	7,20,000
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission		0	0	0

	- as % of profit		0	0	0
	- others, specify...		0	0	0
5	Others, please specify		0	0	0
VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES					
Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C.	OTHER OFFICERS IN DEFAULT		No Officer of the Company is in default.		

Management Discussion and Analysis Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT:

Management's Discussion and Analysis Report contains forward looking statements based on the certain assumptions and expectations of future events and the Company cannot assure that these assumptions and expectations are accurate and cannot derive a particular conclusion. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to the Management perceptions. The report contains the risks and uncertainties arising to the Company but it cannot be figured out exactly due to the fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India ('SEBI'), the Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The changing economic and business conditions and rapid technological innovations are creating an increasingly impact on the industry. The Company does not undertake to make any announcement in case any of these forward looking Statements become materially incorrect in future or any update made thereon.

OVERVIEW:

The Company was incorporated on May 29, 1980 as MAGNUM PAPERS LIMITED and on 31st May, 1995, the status of the Company was changed from 'Private Limited Company' to 'Public Limited Company'. Further, its name was changed as '**Magnum Ventures Limited**' ('**Magnum**'). In September 20, 2007, Magnum made an Initial Public Offer and is currently listed at National Stock Exchange of India Limited ('NSE') and Bombay Stock Exchange Limited ('BSE').

Magnum is ideally located at Sahibabad, Ghaziabad (Uttar Pradesh) the NCR region hardly 15 KM from the heart of Delhi *i.e.*, Connaught Place, New Delhi. The Company is having large infrastructures of 65,000 Square Meters and Five Lacs Square feet Building Area in Sahibabad Industrial Area, Ghaziabad (Uttar Pradesh).

Magnum currently operates in Paper Industry and Hotel Industry. The Company is manufacturing papers since more than 30 Years. The Company is one of the largest writing and printing paper and duplex paper printing concern in the Northern region. The existing manufacturing activities cover printing and writing papers, duplex boards, Xerox paper, Wrapping and packing paper and so on with installed capacity of 85K MT per annum based on 3 shift and 330 days working days in a year. The Company also contribute to the environment by focusing on the recycling process of paper making. Magnum also operates Hotel Industry by the name of **COUNTRY INN & SUITES by Carlson**, a Five Star Hotel at Sahibabad, Ghaziabad (Uttar Pradesh) diagonally opposite to Vaishali Metro Station, 50 minutes from the International Airport, 10 minutes from the Akshardham Temple and India Gate and Connaught Place is just a 25 minutes' drive from the Hotel. Our Sahibabad hotel provides innovative theme restaurants, extensive banqueting areas, state-of-the-art Business Centre, health club and spa, beauty salon, shopping arcade and outdoor, poolside bar that offers a world-class dining experience. The hotel is the first eco-friendly, all-vegetarian, five-star hotel. It comprising of 216 rooms in four categories *i.e.* 64 Standard Rooms, 76 Superior Rooms, 70 Club Rooms, and 6 Executive Suites. The Hotel was soft launched in the month of January, 2009, which is now in full operation. The hotel has a USP of being the first all Vegetarian Hotel to have been formally certified as a five star hotel by (HRACC) Ministry of Tourism.

INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK:

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

Paper Industry

As the present era is globally rising and more demand is on the increasing of the knowledge which as a result leads to the overall growth of the paper industry. The Indian paper industry is said to be growing in the line with the GDP of the country. Paper being an essential commodity has its socio- economic importance in the overall development of the country which is directly linked with the educational and the industrial growth. With the increasing competition, the Company so as to maintain a sustainable position in the market has to make a planned approach towards attaining its goal of maximum profit by overcoming the challenge of raw material availability, manpower, short term over capacity situation, environmental foot print etc.

Hotel Industry

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

SWOT ANALYSIS

STRENGTHS:

Paper Industry

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

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

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

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

Hotel Industry

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

WEAKNESSES:

Paper Industry

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

The biggest challenge facing paper industry in India is the procurement of raw materials. As availability of waste papers, is limited. The companies have to incur huge transportation cost in shipping waste papers and other raw materials from various countries. As a result, the fortunes of the industry depend on the great extent on the foreign exchange rate.

Hotel Industry

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

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

OPPURTUNITIES:

Paper Industry

Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, tissues, etc. New technologies and modern management will have vital part in this process. Besides that many overseas players are

entering India by acquiring or by setting up new plants in Indian soil with an aim to make India as a paper manufacturing hub which will bring huge investments to Indian Pulp and Paper Industry.

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

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

Hotel Industry:

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

THREATS:**Paper Industry**

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

Hotel Industry

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

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

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

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

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

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

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

The Company has an audit committee which oversees the adequacies of the system of the internal control and report to the board. Also the Company has appointed an Internal Auditor to conduct internal audit of the functions and activities of the Company and reported to the Board. All the above business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

PRODUCT WISE PERFORMANCE

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

SALES

PRODUCT	Current Year (2015-16)		Previous Year (2014-15)	
	Quantity (Kgs)	Value (Amt in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	75119330	1931420002	71676045	1923289833
Hotel division	-	404157103	-	35,60,62,239

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS' OF

M/S MAGNUM VENTURES LIMITED

We have audited the accompanying financial statements of **M/s MAGNUM VENTURES LIMITED ("The Company")** which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view **(subject to the matters of emphasis mentioned below)** in conformity with the accounting principles generally accepted in India;

- i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- ii) In the case of the Statement of Profit and Loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following observations:

- a) ***Debtors include Rs. 1098.35 lakhs which are due for more than six months out of which Debtors of Rs. 110.13 lacs are under litigations.(Refer Note No. 8 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2016)***
- b) ***No provisions has been made by the Company for outstanding claims receivable from it suppliers for Rs. 1394.88 lacs as on 31.03.2015. As per the management, same have not been accepted by the suppliers and fully written off these claims in the current financial year, hence, in our opinion this shows that Company have not proper recovery system. (Refer Note No. 11 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2016)***
- c) ***The Company got approval from CDR EG for second rework vide LOA dated 30th December 2013 and as per CDR guidelines, the package should be implemented within 120 days from the date of approval. None of the member banks implemented the packages as per CDR Guidelines. In February 16, all***

the banks approached CDR EG to exit the account from CDR and given their mandate for exit from CDR and CDR EG approved the Exit Proposal vide letter dated 22nd March 2016. After the exit from CDR, the stipulation of CDR packages stands null & void hence company cancel the Zero Coupon Bond of Rs. 34.12 Cr issued on 31.03.14 and reverse/cancel concessions/benefit of interest recorded in FY 13-14 and FY 14-15 as prior period items because of no provision made for differential interest in FY 13-14 and FY 14-15, and provision for the same have been account for because interest not paid by the company. And Company received a notice from its banks to take a decision mention that the proposal for exit of Magnum Ventures Limited from CDR Mechanism on account of the failure of the approved restructuring package stands approved. Also Company received a notice from Banks that Bank has decided to sell/assign your debts and underlying securities to eligible ARCs.

- d) Balances of Debtors & Creditors are subject to confirmation and reconciliation consequential effect (if any) on the account remained unascertained.***

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as required by Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in said Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its FINANCIAL position in its financial statements – Refer note 27 Part B (1) to the financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection FUND by the Company.

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

S/d
Vinay Aggarwal
Partner
M.No.082045

Place: New Delhi
Date: May 30, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF M/S MAGNUM VENTURES LIMITED, PURSUANT TO THE COMPANIES (AUDITORS' REPORT) ORDER 2016 ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

- i. (a) The Company has updated its records of fixed assets showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, most of the fixed assets have been physically verified by the management during the year and as per the explanations and information given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts.
- iii. As explained to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act. 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public.
- vi. The Company has prepared and maintained cost records as prescribed by the Central Government under sub-section (1) of section 148 of the companies Act 2013.

- vii (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) **According to the records of the Company, there are following dues of Central Excise Department as on March 31, 2016 which have not been deposited on account of disputes :-**

Name of the Statute	Name of the Dues	Amount(Rs.)	Period to which the amount relate	Status/Forum where Dispute is Pending
Custom & Central Excise	Excise Duty on Production loss	20,97,503/-	2005-06	Addl. Commissioner of Excise show cause notice pending
Excise Law	Duty on Waste	31599/-(Plus Interest+ Penalty)	Mar 12 to Feb 13	Matter pending before Hon'ble HC
Excise Law	Duty on Waste	46545/- (Plus Interest and Penalty)	April 14 to March 15	Reply filed no hearing fixed yet
DEPB Case	Redemption Case	1023246/- (Plus Penalty)		Reply submitted order not yet passed
Excise Law	SCN for Duty of excise on paper board	14,62,96,594/- +(Interest and Penalty)		Letter sent to Commissioner ,GZB to refer withdrawal of SCN
Service Tax Law	SCN for Service Tax from Hotel	1,64,00,749/- +(Interest & penalty)	2010-2011	Stay granted and awaited for hearing of appeal
Excise Law	Departmental Appeal against refund order of Newsprint	30,80,824/-		Tribunal Delhi, Next Hearing Date yet to be notified
Excise Law	Paper Division- Newsprint- SCN	13,28,43,130/- (+ Interest +Penalty)		The company is under preparation of Reply
Excise Law	Paper Division Newsprint-	5,83,68,368/- (Interest+ Penalty)		The company is under preparation of Reply

	SCN		
EPCG Obligations	Total Export Obligation under EPCG (in INR)		Rs. 50,31,14,020/-[#]
	Earning in Foreign Currency/Export Turnover up to 31-03-2016		Rs. 44,23,67,154/-

#The Company availed EPCG Scheme for import of assets and the Export Obligation (in INR) is Rs. 50,31,14,020. The Company submitted applications for redemption of EPCG Licences for Rs. 17,55,75,916 which is pending at the DGFT, New Delhi.

Hence the Contingencies for EPCG Obligation as on 31.03.16 is of Rs. 50,31,14,020 as the redemption of EPCG Licenses is pending.

- viii. **The company has defaulted in repayment of loans and borrowing to a financial institutions and bank. In February 2016, the CDR EG meeting held, the minutes of which were confirmed at CDR EG meeting held March 21, 2016. Decision was taken by CDR EG that the proposal for exit of Magnum Ventures Ltd. From CDR mechanism on account of the failure of the approved restructuring package stands approved. And Also according to the information and explanations given to us, Company received a notice from Oriental Bank of Commerce and Allahabad Bank that Bank has decided to sell/assign your debts and underlying securities to eligible ARCs. And these accounts are NPA's and quantum of amount is not possible because of company have not received any formal letter of the debt with accrued interest upon these debts.**
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). And term loans raised during the year were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**S/d
Vinay Aggarwal
Partner
M.No.082045**

Place: New Delhi
Date: May 30, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Magnum Ventures Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the company does not have an adequate internal control system commensurate with the size of company and the nature of its business with regard to purchase of inventory, fixed assets, and with regard to the sale of goods as they are unable to collect their sale proceeds and also not able to recover their claims against their rejection in purchase of inventory.

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

**S/d
Vinay Aggarwal
Partner
M.No.082045
Place: New Delhi
Date: May 30, 2016**

MAGNUM VENTURES LIMITED
BALANCE SHEET AS AT 31st MARCH 2016
CIN No. L21093DL1980PLC010492

PARTICULARS	Note No.	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
1	2	3	4
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	62,60,18,840	62,60,18,840
Reserves and surplus	2	-1,87,19,26,709	-95,52,87,892
Non-current liabilities			
Long-term borrowings	3	2,90,69,23,530	3,46,82,13,425
Other Long Term Liabilities	4	-	7,85,00,000
Long Term Provisions	5	2,31,11,371	1,65,24,521
Current Liabilities			
Current assets			
Current investments			
Short Term Borrowings	6	12,02,58,412	44,47,64,669
Trade Payable	7	23,47,81,261	24,91,80,107
Other Current Liabilities	8	1,16,11,21,011	14,51,68,731
Short Term Provisions	9	91,23,154	41,07,979
TOTAL		3,20,94,10,869	4,07,71,90,380
ASSETS			
Non-current assets			
Fixed assets			
(i) (a) Tangible assets	10	2,26,63,73,460	2,50,14,74,277
(ii) Intangible Assets	11	4,04,991	7,71,323
Deferred tax assets (net)	12	-	-
Long-term loans and advances	13	23,70,575	35,36,04,268
Current assets			
Current investments			
Inventories	14	8,38,13,845	15,81,32,918
Trade receivables	15	59,02,01,477	81,58,42,610
Cash and cash equivalents	16	13,49,93,765	1,76,45,839
Short-term loans and advances	17	12,02,89,020	22,92,03,208
Other Current Assets	18	1,09,63,736	5,15,938
TOTAL		3,20,94,10,869	4,07,71,90,380
Significant Accounting Policies & Other Notes to accounts see accompanying notes to financial statements	27		
As per our Report Attached Aggarwal & Rampal Chartered Accountants F.R. No 003072N	For And On Behalf of the Board of Directors		
S/d Vinay Aggarwal Partner Membership No: 082045	S/d (Mr. Pradeep Kumar Jain) Managing Director DIN : 00024879	S/d (Mr. Abhey Jain) Whole Time Director DIN : 01876385	
Place : New Delhi Date: 30.05.2016	S/d Mr. Parmod Kumar Jain (Chief Financial Officer)	S/d Ms. Monisha Chaudhary (Company Secretary) M.No. A 36744	

MAGNUM VENTURES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2016

CIN No. L21093DL1980PLC010492

Particulars	Refer Note No.	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Revenue from operations (Net)	19	2,30,07,15,734	2,23,59,76,471
Other income	20	98,88,755	32,49,533
Total Revenue		2,31,06,04,489	2,23,92,26,004
Expenses			
Cost of Material Consumed	21	1,86,92,47,008	1,66,55,59,637
Change in Inventory of Finished Goods & W.I.P	22	11,79,123.00	13,93,178
Employee Benefit Expense	23	22,09,19,975	19,04,16,354
Finance Cost	24	53,27,59,225	38,18,65,868
Depreciation and amortization expense	25	24,24,55,395	24,79,92,258
Other Expenses	26	38,91,43,442	21,10,78,743
Total Expenses		3,25,57,04,168	2,69,83,06,037
Profit Before Tax		-94,50,99,679.61	-45,90,80,033.07
Extra-ordinary Items			
Profit (Loss) on Sale of Assets		26,70,49,311	11,34,931
Reversal of Deferred Tax Asset		-	27,26,79,101
Prior Period Expenses		23,85,88,449	24,42,888
Tax expense:			
Current tax		-	1,20,636
Deferred tax		0.00	0
Profit After Tax for the Period		-91,66,38,817.47	-73,31,87,727.07
Earnings per equity share:			
(1) Basic		-24.38	-5.02
(2) Diluted		-24.38	-5.02
Significant Accounting Policies & Other Notes to accounts see accoumpying notes to financial statements	27		
As per our Report Attached Aggarwal & Rampal Chartered Accountants F.R. No 003072N		For And On Behalf of the Board of Directors	
S/d Vinay Aggarwal Partner Membership No: 082045		S/d (Mr. Pradeep Kumar Jain) Managing Director DIN : 00024879	S/d (Mr. Abhey Jain) Whole Time Director DIN: 01876385
Place : New Delhi Date: 30.05.2016		S/d Mr. Parmod Kumar Jain (Chief Financial Officer)	S/d Ms. Monisha Chaudhary (Company Secretary) M.No. A 36744

MAGNUM VENTURES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH 2016
CIN No. L21093DL1980PLC010492

Amount in INR (Rs.)

PARTICULARS	As at 31.03.2016		As at 31.03.2015	
CASH FLOW FROM OPERATIONS				
A) Profit before Taxation		-94,50,99,680		-45,90,80,033
B) Adjustments				
ADD				
i Depreciation	24,24,55,395		24,79,92,258	
ii Interest expenses	53,27,59,225		38,18,65,868	
iii Provision for Gratuity	47,56,879		25,87,750	
iv Provision for leave Encashment	18,69,705		6,06,490	
v Provisions for Bonus	49,75,441		14,68,798	
Less				
Interest income	26,74,787		43,894	
		78,41,41,858		63,44,77,270
		-16,09,57,821		17,53,97,237
Operating profit before working capital changes				
C) (Increase)/ Decrease in Current Assets				
i Inventories	7,43,19,073		-1,29,96,641	
ii Sundry Debtors	22,56,41,133		5,37,62,980	
iii loans & advances & other Current Assets	44,97,00,083		-12,56,20,358	
Increase / (Decrease) in Current Liabilities				
i Sundry Creditors	-1,43,98,846		8,83,82,827	
ii Advance from Customers	-64,67,591		92,60,946	
iii Expenses Payable	26,06,866		1,34,46,712	
iv other liability	69,53,06,748		5,19,94,954	
		1,42,67,07,465		7,82,31,420
Cash generated from operations		1,26,57,49,644		25,36,28,657
Wealth tax paid	0		-1,20,636	
Income tax & FBT	0		0	
		0		-1,20,636
Effect of Extra Ordinary Item		-23,85,88,449		-24,42,888
NET CASH FROM OPERATIONS		1,02,71,61,195		25,10,65,133
INVESTING ACTIVITIES				
i Additions to Capital work in progress	0		0	
ii Additions to fixed assets(Net of Sales)	26,00,61,065		-2,10,44,745	
iii Increase in investment	0		0	
iv Interest Income	26,74,787		43,894	
NET CASH FROM INVESTING ACTIVITIES		26,27,35,852		-2,10,00,851
FINANCING ACTIVITIES				
i Issue of Shares	0		0	
ii Increase in Share Premium	0		0	
iii Decrease in Investments	0		0	
iv Borrowings	-63,97,89,895		15,62,02,883	
v Interest Paid/Payable	-53,27,59,225		-38,18,65,868	
NET CASH FROM FINANCING ACTIVITIES		-1,17,25,49,120		-22,56,62,985
Net Change in cash and cash equivalents (A+ B + C)		11,73,47,927		44,01,297
Cash and cash equivalents at the beginning of the period (See Note-3)		1,76,45,838		1,32,44,541
Cash and cash equivalents at the end of the period (See Note-3)		13,49,93,765		1,76,45,838

Notes :-

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

Particulars	As at 31.03.2015	As at 31.03.2014
Cash in hand	7,72,337	6,77,010
FDR with the Bank	46,55,065	2,00,000
Balance with scheduled banks in current accounts	12,95,66,362	1,67,68,828

Total	13,49,93,765	1,76,45,838
	0.00	-
As Per Our Report Attached Aggarwal & Rampal Chartered Accountants F.R. No 003072N	For And On Behalf of the Board of Directors	
S/d Vinay Aggarwal Partner Membership No: 082045	S/d (Mr. Pradeep Kumar Jain) Managing Director DIN : 00024879	S/d (Mr. Abhey Jain) Whole Time Director DIN: 01876385
Place : New Delhi Date: 30.05.2016	S/d Mr. Parmod Kumar Jain (Chief Financial Officer)	S/d Ms. Monisha Chaudhary (Company Secretary) M.No. A 36744

MAGNUM VENTURES LIMITED

Note 1

Share Capital	For the Year ended as on 31.03.2016		For the Year ended as on 31.03.2015	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10 each	3,90,00,000.00	39,00,00,000.00	3,90,00,000.00	39,00,00,000.00
Preference Shares of Rs. 100 each	30,00,000.00	30,00,00,000.00	30,00,000.00	30,00,00,000.00
Issued , Subscribed & Paid up				
Equity Shares of Rs.10 each fully Paid-up	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00
Preference Shares of Rs. 100 each fully Paid-up	25,00,000.00	25,00,00,000.00	25,00,000.00	25,00,00,000.00
Total		62,60,18,840.00		62,60,18,840.00

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Redeemable, Non convertible and Non-Cumulative Preference Shares of Face value of Rs. 100/- on such terms and conditions including but not limited as to the rate of dividend,

Reconciliation of Number of Equity Shares Outstanding

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	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	3,76,01,884.00	37,60,18,840.00	3,76,01,884.00	37,60,18,840.00

Reconciliation of Number of Preference Shares Outstanding

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	25,00,000.00	25,00,00,000.00	25,00,000.00	25,00,00,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	25,00,000.00	25,00,00,000.00	25,00,000.00	25,00,00,000.00

Shares held by shareholders holding more than 5% shares

Name of Shareholder	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praveen Kumar Jain (Equity Shares)	1,66,48,510.00	44.28	1,66,48,510.00	44.28
Praveen Kumar Jain (Preference Shares)	25,00,000.00	100.00	25,00,000.00	25,00,00,000.00

Note 2

Reserves & Surplus	For the Year ended as on 31.03.2016	For the Year Ended as on 31.03.2015
A. Securities Premium		
Opening Balance	38,52,53,799.53	38,52,53,799.53
Closing Balance	38,52,53,799.53	38,52,53,799.53
B. General Reserve		
Opening Balance	15,28,067.07	15,28,067.07
Closing Balance	15,28,067.07	15,28,067.07
C. Surplus		
Opening balance	-1,34,20,69,758.59	-60,65,62,566.24
Effect due to application of Schedule II	0.00	-23,19,465.28
(+/-) Profit/(Loss) During the Year	-91,66,38,817.47	-73,31,87,727.07
Closing Balance	-2,25,87,08,576.06	-1,34,20,69,758.59
Total	-1,87,19,26,709.46	-95,52,87,891.99

Note 3

Long Term Borrowings	For the Year ended as on 31.03.2016	For the Year Ended as on 31.03.2015
Debentures		
Zero Coupon Non-Convertible Debentures (341200 Debentures of Rs. 1000/- each)	-	34,12,00,000.00
Term Loan		
Secured		
From Banks		
Indian overseas Bank	29,49,96,611.93	33,20,58,399.08
PNB	78,06,86,696.00	82,35,14,486.93
Syndicate Bank	68,63,85,529.93	80,64,51,221.76
Oriental Bank Of Commerce	52,33,34,913.49	41,07,35,660.96
Allahabad bank	25,10,20,616.34	20,38,24,904.49
Vijaya Bank	23,79,61,486.00	29,82,89,699.50
Unsecured Loans From Related Parties & Others	12,98,65,774.24	24,67,09,656.24
Vehicle Loans	26,71,902.00	54,29,396.30
Total	2,90,69,23,529.93	3,46,82,13,425.26

Working Capital Limit (Paper Division)

First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables & other current assets of the Paper

Term Loan (Paper Division)

First charge on the entire fixed assets of the Paper Division present & future (Excluding PCC) ranking on pari-passu basis. (OBC, PNB,

Term Loan-Hotel Division

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

Collateral

Working capital facilities shall be collaterally secured by way of Second Charge on entire fixed assets (present & future) of the company

Term loan facilities shall be collaterally secured by way of Second Charge on entire current assets (present & future) of the company on

Note 4

Other Long Term Liabilities	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Others		
Advance against Property	-	7,85,00,000.00
Total	-	7,85,00,000.00

Note 5

Long Term Provisions	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Provision for Employee benefits		
Provision for Gratuity	1,69,80,533.00	1,21,19,577.00
Provision for Leave Encashment	61,30,838.00	44,04,944.00
Total	2,31,11,371.00	1,65,24,521.00

Note 6

Short Term Borrowings	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Secured Working Capital Loans from banks		
IOB	3,22,65,853.21	3,75,20,001.21
Oriental Bank of Commerce	-	24,76,08,645.49
Syndicate Bank	1,243.25	-7,29,979.68
Allahabad Bank	-	6,33,03,408.06
PNB	8,79,91,315.46	9,70,62,593.55
Total	12,02,58,411.92	44,47,64,668.63

Note 7

Trade Payable	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Trade Payable within Normal Operating Cycle (Including Cheque issued but not presented for payment)	23,47,81,260.96	24,91,80,107.23
Total	23,47,81,260.96	24,91,80,107.23

Note 8

Other Current Liabilities	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Interest Accrued	1,11,56,08,865.60	9,71,80,545.11
Vehicle Loans	26,88,605.00	13,03,921.00
Other Payables	3,56,09,436.98	3,30,02,571.09
Advances from Customers & others	72,14,103.00	1,36,81,694.00
Total	1,16,11,21,010.58	14,51,68,731.20

Note 9

<u>Short Term Provisions</u>	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Provision		
Provision for Gratuity	11,38,965.00	12,43,042.00
Provision for Leave Encashment	6,85,546.00	5,41,735.00
Bonus payable	72,98,643.00	23,23,202.00
Total	91,23,154.00	41,07,979.00

Note 10

<u>Tangible Assets</u>	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Land	18,08,66,209.86	19,09,33,558.86
Building & Site	78,02,97,643.30	80,95,72,222.30
Computer	8,06,041.32	6,64,900.33
Furniture & Fixture	12,45,87,155.20	22,06,89,541.20
Plant & Machinery	1,02,94,66,112.85	1,09,42,45,116.96
Vehicles	1,35,99,051.54	1,63,14,720.54
Electric Installation	1,04,58,175.49	1,89,62,627.49
Generator	72,99,933.36	85,85,141.36
Office Equipment	12,09,488.66	11,88,481.66
Fire Fighting Equipment	1,50,870.00	1,87,906.00
Deinking Plant	4,63,33,723.80	5,45,84,748.80
Turbine	7,12,99,054.77	8,55,45,311.77
Total	2,26,63,73,460.16	2,50,14,74,277.27

Note 11

<u>Intangible Assets</u>	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Softwares	4,04,991.00	7,71,323.00
Total	4,04,991.00	7,71,323.00

Note 12

<u>DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY</u>	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Deferred Tax Assets (A)	-	-
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Asset/ (Liability) (A-B)	-	-

Note 13

<u>Long Term Loans & Advances</u>	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Security Deposit		
Unsecured, Considered good	23,70,575.00	1,24,04,267.63
Amount to be amortized in respect for Zero Coupon Non-Convertible Debentures (Non-Current) issued to bankers for sacrifice	-	34,12,00,000.00
Total	23,70,575.00	35,36,04,267.63

Note 14

Inventories	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
(As Valued & Certified by the Management)		
Raw Material	2,32,37,523.00	6,92,16,993.48
Work-In-Progress	21,65,913.00	25,04,743.00
Finished Goods	1,06,73,812.00	1,15,14,105.00
Chemicals	1,31,12,027.00	1,22,43,007.97
Stores & Consumables	95,07,371.00	2,30,68,109.96
Hotel Stock	1,73,09,492.35	58,28,946.65
Fuel	78,07,707.00	3,37,57,012.00
Total	8,38,13,845.35	15,81,32,918.06

Note 15

Trade Receivables	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment Unsecured considered good	10,98,34,901.63	23,48,49,878.74
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good	48,03,66,575.17	58,09,92,731.18
Total	59,02,01,476.80	81,58,42,609.92

Note 16

Cash & Cash Equivalents	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Balance with scheduled banks in current accounts	12,95,66,362.43	1,67,68,828.36
Cash on hand	7,72,337.14	6,77,010.26
Fixed Deposits with Banks	46,55,065.40	2,00,000.00
Total	13,49,93,764.97	1,76,45,838.62

Note 17

Short Term Loan & Advances	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Others		
Unsecured, Considered good		
Advances with Government Authorities & Others	4,19,46,208.53	17,74,37,810.52
Labour, Staff Advance & Imprest	3,04,400.00	2,03,412.00
Advance to Supplier for Raw Material	7,58,32,489.11	5,08,28,127.31
Advance to Supplier for Capital Goods	22,05,922.00	7,33,858.00
Total	12,02,89,019.64	22,92,03,207.83

Note 18

Other Current Assets	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Prepaid Expenses	26,24,576.02	5,15,938.00
Amount Receivable against Sale of Property	83,39,160.00	-
Branch / Divisions	-	-
Total	1,09,63,736.02	5,15,938.00

Note 19

Revenue From Operation	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Gross Revenue	2,33,55,77,105.19	2,27,93,52,072.08
Less : Excise Duty	5,47,84,670.00	5,21,15,612.00
Net Revenue from Operations	2,28,07,92,435.19	2,22,72,36,460.08
Other Operating Revenue	2,00,50,749.71	1,00,36,414.94
Less : Excise Duty	1,27,451.00	12,96,404.00
Net Other Operating Revenue	1,99,23,298.71	87,40,010.94
Total	2,30,07,15,733.90	2,23,59,76,471.02

Note 20

Other Incomes	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Interest recd on FDR	26,74,787.19	43,894.00
Interest accrued on Security Deposit (EEUDD)	8,73,000.00	13,62,780.00
Interest on Income Tax Refund	5,61,870.00	-
Rental Charges	11,25,250.00	11,70,000.00
Foreign Exchange Gain	46,46,995.07	6,72,858.97
Short & Excess	6,852.48	-
Total	98,88,754.74	32,49,532.97

Note 21

Cost of Material Consumed	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Raw Material Consumed	1,13,00,78,096.04	97,04,46,751.72
Power & Fuel Consumed	41,56,63,318.00	39,48,77,464.00
Chemicals	21,45,75,287.97	19,61,76,193.20
Stores & Consumables	10,89,30,306.20	10,40,59,227.87
Total	1,86,92,47,008.21	1,66,55,59,636.79

Note 22

Changes in Inventory of Finished Goods & Work In Progress	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Changes in Inventory of Finished Goods	8,40,293.00	-16,13,429.00
Changes in Inventory of Work in Progress	3,38,830.00	30,06,607.00
Total	11,79,123.00	13,93,178.00

Note 23

Employee Benefit Expense	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Salary (Including Director's Remuneration)	13,50,75,051.98	12,34,49,550.50
Wages	5,32,82,980.00	4,57,31,325.00
Bonus	73,05,508.00	37,86,636.00
Gratuity	56,26,619.00	31,38,340.00
Leave Encashment	33,19,832.00	20,08,574.00
Contribution to ESI	32,80,985.00	30,71,943.00
Contribution to EPF	1,09,36,893.00	79,05,388.00
Staff Welfare	20,92,106.00	13,24,597.00
Total	22,09,19,974.98	19,04,16,353.50

Note 24

Finance Cost	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Interest on Term Loan	38,62,69,243.38	32,16,75,536.84
Interest on Working Capital Loan	13,82,99,122.39	5,20,51,712.50
Interest (others)	35,88,741.20	25,58,425.00
Bank Charges	46,02,118.36	55,80,193.26
Total	53,27,59,225.33	38,18,65,867.60

Note 25

Depreciation & Amortisation Expense	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Depreciation on Tangible Assets	24,20,23,559.00	24,74,95,824.00
Amortisation of InTangible Assets	4,31,836.00	4,96,434.40
Total	24,24,55,395.00	24,79,92,258.40

Note 26

Other Expenses	For the Year ended as on 31.03.2016	For the Year ended as on 31.03.2015
Advertisement Expenses	32,04,269.70	9,85,271.00
Auditor Remuneration	3,43,500.00	3,37,080.00
Commission	94,22,891.36	59,86,420.00
Electricity	5,10,22,407.50	3,99,05,372.50
Entertainment & Music	-	6,12,518.00
Entairment Tax	1,57,973.00	1,61,700.00
Excise duty, Tax & Interest	1,35,072.00	82,984.00
Freight	3,14,11,484.00	3,33,41,333.00
Insurance Charges	5,96,157.00	4,48,366.00
Fees & Subscription	2,34,26,146.00	1,77,37,433.10
Legal & Professional	72,02,719.00	23,27,648.00
Miscellaneous & General	13,494.00	5,55,038.96
Postage	3,00,912.00	3,54,821.00
Photocopy Expense	1,40,912.00	1,37,916.00
Printing & Stationery	26,59,721.14	21,63,795.17
Rates & taxes	49,22,052.00	69,78,084.00
Rebate, Discount & Written off	90,60,141.33	2,02,04,881.54
Rent & Hire Charges	9,34,322.00	4,99,706.00
Repair & Maintenance Building	-	25,37,368.58
Repair & Maintenance Plant & Machinery & Others	2,47,85,405.40	2,51,41,726.99
Provision for Doubtful Debts	17,96,52,306.00	-
Sales Promotion	61,50,500.00	1,85,14,594.00
Sales Tax (Including Additional Demand)	28,806.00	1,11,611.00
Service Tax (Including Interest & Swatch Bharat Cess)	45,55,897.05	22,62,204.52
Share Listing Fees	3,40,000.00	3,99,678.00
Internet & Telephone	23,75,474.00	23,96,210.00
Travelling Expenses	11,51,367.60	11,58,105.65
Conveyance Expense	1,25,622.40	2,45,210.35
Vehicle Expense	19,33,275.00	15,53,763.96
Water Expense (Including Cess)	7,19,401.00	3,72,198.00
Guest Supplies Expense	1,18,22,962.85	1,20,96,934.73
Horticulture Expenses	10,350.00	22,995.00
Kitchen Equipment & Fuel Expense	10,63,812.52	9,81,434.50
Upholstery & Fabric Expenditure	29,10,628.85	52,41,049.89
Banquet and Decoration Expense	42,49,897.36	25,44,560.46
Laundry & Cleaning Expenses	23,13,561.67	26,78,728.87
Total	38,91,43,441.73	21,10,78,742.77

MAGNUM VENTURES LIMITED
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
AS ON 31ST MARCH 2016

NOTE- 27

(A)SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Magnum Ventures Limited is ISO 14000 certified company is engaged in the business of trading and manufacturing of paper for more than 30 years. The existing manufacturing activities cover Newspaper printing paper and duplex boards

The Company also owns a 5 star hotel with Carlson group USA named "**Country Inn & Suits by Carlson**". In this regard, Company has entered into Territory License Agreement with Country Inn & Suites by Carlson Inc through Country Development & Management Services Private Limited on 31st January 2007 for a period of 10 year from opening date i.e. February 2009. The Licence can be renewed for a further period of 10 years

2. 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 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 the Companies Act, 2013.

3. 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. The Company capitalized Inward Freight of Capital Asset at the end of month.

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

MAGNUM VENTURES LIMITED
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
AS ON 31ST MARCH 2016

- b) In Paper Division Depreciation on fixed assets is provided on the basis of Written down Value method except on plant & machinery, turbine & Deinking Plant on which depreciation is charged on SLM however, Software is amortised in 5 years.

For Hotel Division Assets, depreciation has been provided on the straight-line method and at the rates in the manner prescribed in schedule II to the Companies Act. 2013,

Freight on Capital Asset installed and put to use has been capitalized at the end of month.

3. FOREIGN EXCHANGE TRANSACTIONS

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

4. INVENTORY VALUATION

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

5. REVENUE RECOGNITION

- a) **Sales**

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

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

- b) **Interest Income**

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

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c) **Misc Income**

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

6. EXCISE DUTY

Liabilities for Excise Duty occur and accounted for as when the materials get finished.

7. 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.

Management is of the view that there is no such assets exists in the Company.

8. 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.

9. EARNING PER SHARE

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

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

10. 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

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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.

11. 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.

12. RETIREMENT AND OTHER EMPLOYEE BENEFITS

a. Defined Contribution Plan

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

b. Defined Benefit Plan

Employees Benefit has been recognized as required in accordance with Accounting Standard 15 'Employee Benefits' on the basis of Actuarial Valuation report for the year ended 31-03-2016 as annexed to Notes to account.

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

c. Other long-term benefits

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

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

d. Salary and other short term benefits

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

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

Gratuity

Particular	As at 31-03-16	As at 31-03-15
a) Economic Assumption		
Discounted Rate	8.00%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	5.25%	6.25%
b) Demographic Assumptions		

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Normal Retirement Age *	58 + 2 years Extension
Mortality Table	Indian Assured Lives (2006-08)
Withdrawal Rate (in %)	Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 44 Years 1.0
Present value of obligation as on 31-03-2016	Paper Division 10502523/- Hotel Division Rs. 7616975/-

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

Leave Encashment

Particular	As at 31-03-16	As at 31-03-15
a) Economic Assumption		
Discounted Rate	8.00%	8.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	5.25%	6.25%
b) Demographic Assumptions		
Normal Retirement Age *	58 + 2 years Extension	
Mortality Table	Indian Assured Lives (2006-08)	
Withdrawal Rate (in %)	Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 44 Years 1.0	
Present value of obligation as on 31-03-2016	Paper Division 2129338/- Hotel Division Rs. 4687046/-	

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

In addition to above details of gratuity & leave encashment, actuarial detail hereunder-

Gratuity

Particulars	Duplex div	Hotel Div
Assumption		
Discount rate	8.00%	8.00%

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Future Salary Increase	5.25%	6.50%
Table showing change in benefit Obligation		
Present value of obligation as at the beginning of the period	8,564,771	4,797,848
Interest cost	685,182	383,828
Past service cost	-	-
Current service cost	1,649,524	2,029,967
Benefits paid	(345,947)	(523,793)
Actuarial (gain)/loss on obligation	(51,007)	929,125
Present value of obligation as at the end of period	10,502,523	7,616,975
Table of Fair value of Plan Assets		
Fair value of plan assets at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the period	-	-
Total actuarial gain/ (loss) to be recognized	-	-
Return on Plan Actual Asset	-	-
	-	-
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
Amount recognized in the balance sheet		
Liability at the end of the year	10,502,523	7,616,975
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	10,502,523	7,616,975
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in balance sheet	10,502,523	7,616,975
Expenses recognized in the income statement		
Current service cost	1,649,524	2,029,967
Interest cost	685,182	383,828

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Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	(51,007)	929,125
Expenses recognized in the statement of profit & losses	2,283,699	3,342,920
Movement in the liability		
Recognized in the Balance sheet		
Opening net liability	8,564,771	4,797,848
Expenses as above	2,283,699	3,342,920
Benefits paid	(345,947)	(523,793)
Closing net Liability	10,502,523	7,616,975

Leave Encashment

Particulars	Duplex Div	Hotel Div
Assumption		
Discount rate	8.00%	8.00%
Future Salary Increase	5.25%	6.50%
Table showing change in benefit Obligation		
Present value of obligation as at the beginning of the period	1,761,435	3,185,244
Interest cost	140,915	254,820
Past service cost	-	-
Current service cost	611,329	1,706,081
Benefits paid	(191,455)	(1,258,672)
Actuarial (gain)/loss on obligation	(192,886)	799,573
Present value of obligation as at the end of period	2,129,338	4,687,046
Table of Fair value of Plan Assets		
Fair value of plan assets at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the period	-	-

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Total actuarial gain/ (loss) to be recognized	-	-
Return on Plan Actual Asset	-	-
	-	-
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
Amount recognized in the balance sheet		
Liability at the end of the year	2,129,338	4,687,046
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	2,129,338	4,687,046
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in balance sheet	2,129,338	4,687,046
Expenses recognized in the income statement		
Current service cost	611,329	1,706,081
Interest cost	140,915	254,820
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	(192,886)	799,573
Expenses recognized in the statement of profit & losses	559,358	2,760,474
Movement in the liability		
Recognized in the Balance sheet		
Opening net liability	1,761,435	3,185,244
Expenses as above	559,358	2,760,474
Benefits paid	(191,455)	(1,258,672)
Closing net Liability	2,129,338	4,687,046

(B) OTHER NOTES

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

Name of the Statue	Name of the Dues	Amount(Rs.)	Period to which the amount relate	Status/Forum where Dispute is Pending
Custom &	Excise Duty on	20,97,503/-	2005-06	Addl. Commissioner

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Central Excise	Production loss			of Excise show cause notice pending
Excise Law	Duty on Waste	31599/- (Plus Interest+ Penalty)	Mar 12 to Feb 13	Matter pending before Hon'ble HC
Excise Law	Duty on Waste	46545/- (Plus Interest and Penalty)	April 14 to March 15	Reply filed no hearing fixed yet
DEPB Case	Redemption Case	1023246/- (Plus Penalty)		Reply submitted order not yet passed
Excise Law	SCN for Duty of excise on paper board	14,62,96,594/- +(Interest and Penalty)		Letter sent to Commissioner ,GZB to refer withdrawal of SCN
Service Tax Law	SCN for Service Tax from Hotel	1,64,00,749/- +(Interest & penalty)	2010-2011	Stay granted and awaited for hearing of appeal
Excise Law	Departmental Appeal against refund order of Newsprint	30,80,824/-		Tribunal Delhi, Next Hearing Date yet to be notified
Excise Law	Paper Division- Newsprint-SCN	13,28,43,130/- (+ Interest +Penalty)		The company is under preparation of Reply
Excise Law	Paper Division Newsprint-SCN	5,83,68,368/- (Interest+ Penalty)		The company is under preparation of Reply
EPCG Obligations	Total Export Obligation under EPCG (in INR)			Rs. 50,31,14,020/- [#]
	Earning in Foreign Currency/Export Turnover up to 31-03-2016			Rs. 44,23,67,154/-

#The Company availed EPCG Scheme for import of assets and the Export Obligation (in INR) is Rs. 50,31,14,020. The Company submitted applications for redemption of EPCG Licences for Rs. 17,55,75,916 which is pending at the DGFT, New Delhi.

Hence the Contingencies for EPCG Obligation as on 31.03.16 is of Rs. 50,31,14,020 as the redemption of EPCG Licenses is pending.

3. REMUNERATION PAID TO AUDITORS:

Particular	Current Year	Last Year
As Statutory Auditors	2,45,000/- Service Tax 35525/-	Fee 245000/- Service Tax 30282/-
Tax Audit Fees	55,000/- Service Tax 7975/-	Fee 55000/- Service Tax 6798/-
In other matter	NIL	NIL

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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 31.03.2016 in accordance with the provision of Income Tax Act, 1961.
6. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Mr. Pradeep Kumar Jain	720000.00	720000.00
Mr. Parmod Jain	480000.00	480000.00
Mr. Abhey Jain	480000.00	480000.00
Mr. S. P. Chaturvedi	609900.00	586400.00

7. INCREASE IN AUTHORISED CAPITAL

During the year there is no increase in authorized capital of the company

8. DEBTORS

The total debtors of the company is Rs. 5902.01 lakhs, debtors amounting to Rs. 1098.35 lakhs are more than six months out of which Rs 110.13 lakhs are under litigation.

9. Additional information (as certified by the management and relied upon by the Auditors)

PAPER DIVISION

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

S. No.	Particular	Current Year Qty. in MT	Last Year Qty in MT.
(a)	Licensed Capacity	85000	85000
(b)	Installed Capacity	NA	N.A
(c)	Production	75080	71693

- 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	473617	456808	11514105	9900676
(b)	Closing Stock	434590	473617	10673812	11514105
(c)	Sale (Including Captive use)	75119330	71676045	1931420002	1923289833

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HOTEL DIVISION

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	NA	NA	5828947	5822896
(b)	Closing Stock	NA	NA	17309492	5828947
(c)	Sale	NA	NA	404157103	356062239

III) **Information in regard to raw material, Stores & Chemical Consumed:**
PAPER DIVISION

S. No	Particular	Qty (Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Raw Material	88504067	85783830	1022102224	890116284
(b)	Chemical	-	-	214653318	196176193
(c)	Stores	-	-	108930306	104059228
(d)	Power & Fuel	-	-	415663318	394877464

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	135231591	126995723	13.23	14.27
Indigenous Raw Material	886870633	763120561	86.77	85.73
Imported Stores & Chemical	6049621	9743359	1.87	3.24
Indigenous Stores & Chemical	317534003	290492062	98.13	96.76

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

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

PAPER DIVISION

Particular	Current Year (Rs)	Last Year (Rs)
Raw Material	85075613	142815273
Chemical & Consumable Spare Parts	4088341	9734385

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HOTEL DIVISION

Particular	Current Year (Rs)	Last Year (Rs)
Consumables and Machines	Nil	Nil

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

Particular	Current Year (Rs)	Last Year (Rs)
Paper Division	Nil	Nil
Hotel Division	2730774/-(\$ 41,400.10)	3347789/-(\$ 53465)

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

Particular	Current Year		Last Year	
	Rs.	FC	Rs.	FC
Paper Division	Nil	Nil	Nil	Nil
Hotel Division	58483172/-	USD 312626 Euro 430135 GBP 45030	64897739/-	USD 495907 Euro 413240 GBP 51455 CHY 720 AUD 3500 AD(AUS) 12395 AED 6365 USD 1293793

10. RELATED PARTY TRANSACTION DISCLOSURE:

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

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

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Disclosure of transactions with related parties as required by Accounting Standard 18 issued by The Institute of Chartered Accountants of India

Sl. No.	Particulars	Key Management personnel	Relative of key management personnel
1	Loan Outstanding as on 31.03.2016	86346237.53	43519536.71
2	Remuneration of Directors		
	Mr. Pradeep Kumar Jain	720000.00	-
	Mr. Parmod Jain	480000.00	-
	Mr. Abhey Jain	480000.00	-
	Mr. S. P. Chaturvedi	609900.00	-
3	Remuneration of Company Secretary		
	Ms. Monisha	318947.00	-
4	Interest on Unsecured Loan		
	Abhey Jain (HUF)	-	244903
	Asha Jain	-	8024
	Parv Jain	-	19464
	Pradeep Kumar Jain (HUF)	-	190369
	Pramod Kumar Jain (HUF)	-	223717
	Rita Jain	-	40200
	Salek Chand Jain	-	31853
	Salek Chand Jain (HUF)	-	253879
	Veena Jain	-	190853
	Vinod Kumar Jain (HUF)	-	223951
5	Salary to Relative of Key Management Personnel		
	Mr. Vinod Jain	-	360000
	Mr. Rishabh Jain	-	360000
	Mr. Ritesh Jain	-	360000
	Mrs. Shashi Jain	-	480000
6	Purchase from Johri Mal Kamal Kishore	-	4862799.00

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

Names of the related parties and descriptions of relationships

1	Key Management personnel	Mr. Pradeep Kumar Jain Mr. Praveen Kumar Jain Mr. Parmod Kumar Jain Mr. Abhey Jain Mr. Kishan Jain Mr. RakeshGarg Mr. SubhashOswal Mr. Naveen Jain Mr. Bikash Narayan Mishra Mr. S. P. Chaturvedi
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		Ms. Monisha Company Secretary
2	Relatives of key management personnel	Father of Director Mr. Salek Chand Jain Brother of Director Mr. Vinod Kumar Jain Wife of Director Mrs. Veena Jain Mrs. Rita Jain Mrs. Asha Jain Mrs. Monika Jain Son of Director Mr. Rishabh Jain Mr. Ritesh Jain Mr. Parv Jain Daughter of Directors Mrs. Priyanka Jain HUF of Father of Director M/S Salek Chand Jain (HUF) HUF of Brother of Director M/S Vinod Jain (HUF) HUF of Directors M/S Praveen Kumar Jain (HUF) M/S Pramod Kumar Jain (HUF) M/S Pradeep Kumar Jain (HUF) M/S Abhay Jain (HUF) Sister of Director Mrs. Shashi Jain Firm of Brother in Law of Director Johri Mal Kamal Kishore

11. SUNDRY CREDITORS:

As per the best available information with the company, No creditor has intimated their MSME status to us and accordingly there is no amount outstanding which is payable to small scale industrial undertaking.

In Previous years, the company raised claim on its suppliers for Quality/Quantity/Rate Issues of Rs. 13,94,87,714/- and regularly followed up with them for resolution. The Company unable to recover any amount on account of claim raised. Hence the claim raised of Rs. 13,94,87,714 has been written back in current year and included in Other Expenses.

12. DEFERRED TAX LIABILITY:

In lieu of huge accumulated losses of the company and absence of virtual certainty regarding availability of future taxable income, the management has decided not to recognise any deferred tax assets for the year ended March 31, 2016.

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13. IMPAIRMENT OF ASSETS

In accordance with Accounting Standard 28 'Impairment of Assets' issued by Institute of Chartered Accountants of India and made applicable from 1st 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.

14. SEGMENT REPORTING

The Company is having two segment Paper division and Hotel Division. The segment reporting of the company has been prepared in accordance with Accounting Standard – 17 'Accounting for Segment Reporting' issued by Institute of Chartered Accountants of India.

Primary –

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

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Paper Division	Hotel Division	Total
Segment wise Revenue			
External Revenue 2016	1931420002.00	404157103.19	2335577105.19
2015	1923289833.00	356062239.08	2279352072.08
Segment wise Results <i>before extra-ordinary Items</i>			
Segment Result 2016	(-)585105903.59	(-)359993776.02	(-)945099679.61
2015	(-)162294485.44	(-)296785547.63	(-)459080033.07
Segment wise Results <i>after extra-ordinary Items</i>			
Segment Result 2016	(-)508218807.92	(-)408420009.54	(-)916638817.46
2015	(-)216422771.44	(-)516644319.63	(-)733187727.07
Segment wise Assets			
2016	2915112550.84	294298318.10	3209410868.94
2015	3642002706.18	435187674.16	4077190380.34
Segment wise Liabilities <i>excluding Bank Borrowings and Long term Unsecured Loan</i>			
2016	880990038.00	547146758.47	1428136796.47
2015	342949533.31	150531805.12	493481338.43

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Fixed Assets Addition			
2016	16106860.00	883230.89	16990090.89
2015	16630079.00	5603916.00	22233995.00
Depreciation			
2016	87207587.00	155247808.00	242455395.00
2015	92874138.00	155118120.40	247992258.40

Geographical Segment

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

15. 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 AARC, PNB, SYB, IOB.
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. (AARC, PNB, SYB, IOB & 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.

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PLEDGING OF SHARES

Presently 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..

16. The Accumulated losses of the company as on March 31, 2015 were more than the net worth of the Company. Accordingly the Company filed a reference with Hon'ble Board of Industrial & Financial Restructuring (BIFR) under Section 15 of the SICA Act, 1985. The BIFR has registered the company vide letter no. 3(M-3)/BC/2015 dated 15th June 2015 as case no. 69/2015.
17. The Company has received communication that Oriental Bank of Commerce and Allahabad Bank have assigned their dues recoverable from Company to M/s Alchemist Assets Reconstruction Company Ltd. (AARC). The same however does not have any effect on the Balance Sheet or Profit and Loss Account of the company for the year as the same requires only substitution of the name of the ARC for the transferor banks.

18. CORPORATE DEBT RESTRUCTURING

The Company got approval from CDR EG for second rework vide LOA dated 30th December 2013 and as per CDR guidelines, the package should be implemented within 120 days from the date of approval. None of the member banks implemented the packages as per CDR Guidelines.

The Company received a letter from CDR EG dated 22nd March 2016 that CDR EG approved the Exit of CDR re-work package from CDR on request of all the banks and accordingly, The Company cancel the Zero Coupon Bond of Rs. 34.12 Cr issued on 31.03.14 pursuant to stipulation of CDR Re-work package. Further The Company cancel the concessions of interest recorded in FY 13-14 and FY 14-15. This amount is included in Interest Accrued and Separately mentioned in the Extra Ordinary Items.

Due to CDR Packages and as per RBI Guidelines, all the banks classified the account as "sub-standard" Hence the company make a provision for uncharged interest i.e. Interest after NPA date and included in Interest Accrued.

19. The Company had filed a case against Shree Laxmipati Balajee (Trader) for recovery of one Crore before the Honb'le District Court Ghaziabad, Uttar Pradesh u/s 138 of Negotiable Instrument Act, 1881.
20. Previous year figure have been regrouped and reclassified wherever considered necessary to make them comparable to those of the current year.
21. Figures in {brackets} pertain to the previous year.
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MAGNUM VENTURES LIMITED
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
AS ON 31ST MARCH 2016

Note 1 to 21 form an integral part of the Balance Sheet as at 31st March 2016 and has been authenticated as such.

As per our report of even date

For and an behalf of the Board Of Directors

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

S/d
Vinay Aggarwal
(Partner)
Membership No.082045

S/d
Pradeep Kumar Jain
(Managing Director)
DIN:00024879

S/d
Parmod Kumar Jain
(Chief Financial Officer)

S/d
Abhey Jain
(Whole Time Director)
DIN:01876385

S/d
Monisha Chaudhary
(Company Secretary)
M.No. A36744

Place: New Delhi
Date: 30.05.2016

Form No. MGT-11

Proxy form

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

CIN: L21093DL1980PLC010492

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

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

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

1. Name: _____ Email Id: _____
Address: _____
Signature: _____ *or failing him*
2. Name: _____ Email Id: _____
Address: _____
Signature: _____ *or failing him*
3. Name: _____ Email Id: _____
Address: _____
Signature: _____

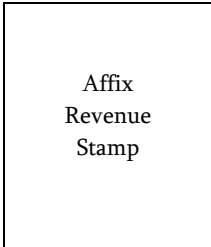
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual general meeting of the company, to be held on Monday, the 19th day of September, 2016 at 11:00 a.m. at Galib Institute, AIWAN-E-GALIB Marg, New Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Description	For	Against
1.	Consideration and adoption of Annual audited accounts and Reports for the financial year ended 31st March, 2016		
2.	Re-election of Mr. Abhey Kumar Jain as Director of the Company, who retires by rotation		
3.	Re-election of Mr. Pramod Kumar Jain as Director of the Company, who retires by rotation		
4.	Ratification of Appointment of M/s. Aggarwal & Rampal, as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2017		
5.	Appointment of Mrs. Anjum Saxena as Independent Director of Company		
6.	To ratify the remuneration of Cost Auditors for the financial year 2016-17		

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

Signature of shareholder

Signature of Proxy holder(s)



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