

40TH ANNUAL REPORT

2019-2020

Magnum Ventures Limited

(CIN: L21093DL1980PLC010492)



SAHIBABAD, GHAZIABAD (U.P.)

MAGNUM VENTURES LIMITED
(CIN: L21093DL1980PLC010492)

40TH ANNUAL REPORT – 2019

BOARD OF DIRECTORS

Pardeep Kumar Jain	<i>Managing Director</i>
Abhey Jain	<i>Whole-time Director</i>
Parmod Kumar Jain	<i>Director</i>
Parveen Kumar Jain	<i>Director</i>
Shiv Pravesh Chaturvedi	<i>Director</i>
Subash Chand Oswal	<i>Independent Director</i>
Krishan Gopal Sharma	<i>Independent Director</i>
Jyoti	<i>Independent Director</i>
Anil Kumar Rawat	<i>Independent Director</i>
Virender Kumar Sharma	<i>Independent Director</i>

<u>Company Secretary and Compliance Officer</u> Mr. Mohit Kumar Goel Mob: 7042593791 Email id: cs_mvl@outlook.com	<u>Chief Financial Officer</u> Mr. Parv Jain Mob. 9810149696 Ph. No. 0120-4551138 Email id: parv@cissahibabad.in
<u>Internal Auditor</u> Mr. Sushil Kumar Verma Mob: 9810276110 Email id: magnumventures@gmail.com	<u>Registered Office</u> Off No. 205, 2 nd Floor, Building No. 4326 Street No. 3, Ansari Road, Darya Ganj, Delhi-110002 Ph. No. 011-23264503/ 23261179
<u>Statutory Auditors</u> M/s. Aggarwal & Rampal Chartered Accountants 2 nd Floor, 19, Local Shopping Complex, Madangir, New Delhi-110062 Ph. No. 011-40512886/87/88 Email id: Aditya@aggarwalrampal.com	<u>Corporate Office</u> 18/31, Site IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201010
<u>Cost Auditors</u> M/s V.K. Dube & Co. Cost Accountants, T II/206, Gulmohar Enclave, Nehru Nagar-II Ghaziabad, U.P.	<u>Works</u> 18/41, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh - 201010 64/6, Site-IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh-201010
<u>Secretarial Auditors</u> M/s. Munish K. Sharma & Associates Company Secretaries AAF-14, Shipra Krishna Azure, Near Wave Cinema, Kaushambi, Ghaziabad, UP-201012 Ph. No. 0120-4165725 Email id: munish_171@yahoo.com	<u>Bankers</u> Vijaya Bank Alchemist Assets Reconstruction Company Limited (AARC)
<u>Contact Details</u> Phone No. : 91-0120-4199200 (100 lines) Fax : 91-0120-4199234 E-Mail : magnumventures@gmail.com Website : www.magnumventures.in	<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

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NOTICE

Notice is hereby given that the 40th **Annual General Meeting ('AGM')** of the Members of the Company will be held on **Tuesday, 10th November, 2020 at 11:00 AM IST through video conferencing ("VC")**, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Auditors and Board of Directors thereon.
2. To appoint a Director in place of Mr. Shiv Pravesh Chaturvedi (DIN: 06834388) 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. Parmod Kumar Jain (DIN: 01222952) Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. Appointment of Mr. Anil Kumar Rawat (DIN: 08917556) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to provisions of Section 149, 150, 152 & 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association of the Company, Mr. Anil Kumar Rawat (DIN: 08917556), who was appointed as an Additional Director on the Board of the Company w.e.f. approval of DIN (i.e. October 13, 2020) by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee to hold office till the date of Annual General Meeting, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years with effect from October 13, 2020 and not liable to retire by rotation."

5. Appointment of Mr. Virender Kumar Sharma (DIN: 08920291) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to provisions of Section 149, 150, 152 & 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association of the Company, Mr. Virender Kumar Sharma (DIN:08920291), who was appointed as an Additional Director on the Board of the Company

w.e.f. approval of DIN (i.e. October 15th, 2020) by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee to hold office till the date of Annual General Meeting, be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years with effect from October 15th, 2020 and not liable to retire by rotation.”

6. Continuation of directorship of Mr. Subash Chand Oswal (DIN: 00088516), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), Mr. Subash Chand Oswal (DIN: 00088516), Non-Executive Independent Director of the Company, aged 74 years, whose present term of office is for 5 (five) years, appointed with effect from the 10th September, 2019 to 09th September, 2024, and whose continuation in office with effect from July 6, 2021 requires approval of Members by way of Special Resolution being more than 75 years of age, approval of the Members of the Company be and is hereby accorded to the continuation of directorship of Mr. Subash Chand Oswal as a ‘Non-Executive Independent Director’ of the Company, to hold office for his remaining term of office upto September 9, 2024, not liable to retire by rotation.”

7. To consider and, if thought fit to pass with or without modification(s), the following resolution as 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 and other applicable provisions if any, payment of remuneration of Rs. 1,00,000/- (Rupees One Lac Only), inclusive of all expenses, to M/s V. K. Dube & Co., Cost Auditors, (FRN: 000343), for carrying out Cost Audit of the Company for financial year 2020-21, as recommended by the Audit Committee and approved by the Board of Directors be and is hereby ratified.”

8. Approval of appointment of Mr. Parmod Kumar Jain (DIN: 01222952) as Whole-time Director of the Company

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

“**RESOLVED THAT** in accordance with the provisions of Section 190, 196, 197 and 203 read with Schedule V as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, consent of the members be and is hereby accorded for the appointment of Mr. Parmod Kumar Jain (DIN: 01222952) as Whole-time Director of the Company for a period of 5 year with effect from 28th August, 2020 on the terms, conditions and remuneration mentioned herein below:-

Remuneration:

The remuneration payable to Mr. Parmod Kumar Jain, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mr. Parmod Kumar Jain, if the Company has no profits or its profits are inadequate, then Mr. Parmod Kumar Jain will be paid in accordance with the provisions of Schedule V of the Act.

Currently, Board does not recommend any remuneration to Mr. Parmod Kumar Jain. It will be decided further in the due course.

Other Terms & Conditions:

- a. Mr. Parmod Kumar Jain is appointed as Whole-Time Director of the Company for a period of 5 (Five) years with effect from 28th August, 2020.
- b. As Whole-Time Director, Mr. Parmod Kumar Jain shall be entrusted with such responsibilities and shall perform such functions and duties as may be decided by the Board, which may be communicated directly or through the Managing Director from time to time.
- c. Mr. Parmod Kumar Jain shall be subject to the superintendence, control and directions of the Board, which may be either be communicated directly and/ or through the Managing Director.
- d. Mr. Parmod Kumar Jain shall work on whole-time basis for the Company and shall act diligently and to the best of his abilities in the discharge of his duties and shall not, directly or indirectly, engage himself in any other business, occupation or employment without the prior approval of the Board.
- e. Mr. Parmod Kumar Jain shall, whenever required by the Board or by the Managing Director, undertake to travel in India and elsewhere towards the performance of his duties.
- f. The Board may re-allocate / re-designate the duties and responsibilities of Mr. Parmod Kumar Jain.
- g. Mr. Parmod Kumar Jain shall not during his tenure or thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, any confidential information or knowledge obtained by his during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr. Jain shall during the continuance of his employment with the Company also use his best endeavors to prevent any other person from doing so PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company on a need-to-know basis with suitable caution as to confidentiality shall not be deemed to be a contravention of this clause.
- h. He shall not accept the directorship in any other company (ies), except with the prior approval of the Board.

- i. Either party shall be entitled to terminate this employment by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause (hereinafter referred to as "Termination by Mutual Consent"). On the expiry of the period of such notice, this employment shall be stand terminated.

For and on Behalf of the Board
MAGNUM VENTURES LIMITED

Date : 16/10/2020
Place : Ghaziabad

Sd/-
PARDEEP KUMAR JAIN
Managing Director
DIN: 00024879
Address: 113/3-4, Ansari
Road, Darya Ganj, Delhi-
110002

Note:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 40th AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the 40th AGM through the VC facility provided by MAS Services Limited, Registrar and Share Transfer Agents. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA Circulars, Members attending the 40th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 40th AGM being held through VC.
5. i) The Register of Members and Transfer Books of the Company will remained closed from Wednesday, November 04th, 2020 to Tuesday, November 10^h, 2020, both days inclusive, for the purpose of 40th Annual General Meeting.
ii) The remote e-voting period commences on Saturday, November 7, 2020 (09:00 am) and ends on Monday, November 9, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 03, 2020, may cast their vote by remote e-voting.
6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
7. The Company has appointed M/s Munish K. Sharma & Associates, Company Secretaries, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
8. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 40th AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the

facility for appointment of proxies by the Members will not be made available for the 40th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

9. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to munish_171@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. In line with the MCA Circulars, the notice of the 40th AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2019-20 will also be available on the Company's website at <https://www.magnumventures.in>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of MAS Services Limited at <https://www.masserv.com>
12. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, MAS Services Limited, T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
13. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 40th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturday & Sunday, upto the date of meeting.
14. The details of the Directors seeking appointment/ re-appointment at the 40th AGM are provided as Annexure of this Notice. The Company has received the requisite consents/declarations for the appointment/ re-appointment under the Companies Act, 2013 and the rules made thereunder.
15. Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013, will be available for inspection by the Members during the 40th AGM.

16. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
18. In case of any queries regarding the Annual Report, the Members may write to magnumventures@gmail.com to receive an email response.
19. As the 40th AGM is being held through VC, the route map is not annexed to this Notice.

INSTRUCTION FOR E-VOTING AND AGM THROUGH VIDEO CONFERENCING

- I. The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- II. Click on “Shareholders” module.
- III. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- IV. Next enter the Image Verification as displayed and Click on Login.
- V. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- VI. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in email.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank

	details field as mentioned in instruction (iii).
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- VII. After entering these details appropriately, click on “SUBMIT” tab.
- VIII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- IX. For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- X. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- XI. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIII. After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XIV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVI. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVII. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

- I. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, and copy of PAN card to info@masserv.com
- II. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your name.
In the "last name" field - Enter your folio no. as informed in e-mail
In the "Email ID" field - Put your email ID
In the "Event password" field - Put the password as "cdsl@1234"
Click join now button.
Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

System requirement:

- Windows 7, 8 or 10
- I3
- Microphone, speaker
- Internet speed minimum 700 kbps
- Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- Please download webex application from play store

NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

General Guidelines for Shareholders

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.cdsl.com or call on toll free no.: 1800-225-533 or send a request at helpdesk.evoting@cdslindia.com
2. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on November 03rd, 2020 (cut-off date). Only those Members whose names are 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 e-voting at the AGM.

3. Those who become Members of the Company after dispatch of the Notice but on or before November 03rd, 2020 (cut-off date) may follow instructions mentioned above for user ID and password. On receipt of user ID and password, the steps stated above should be followed for casting of vote.
4. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a 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.
5. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.magnumventures.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall, simultaneously, be forwarded to NSE & BSE which shall place the results on their website.

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

Item No. 4

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed Mr. Anil Kumar rawat (DIN: 08917556) as an Independent Non-Executive Additional Director in accordance with Section 161 of the Companies Act, 2013 and he holds office upto the date of forthcoming Annual General Meeting.

In terms of the provisions of Rule No. 8 & 14 the Companies (Appointment and Qualifications of Directors) Rules 2014, the consent for appointment as director of the Company in form DIR-2 and declaration that he is not disqualified to be appointed as director in form DIR-8 and also that post appointment his number of directorships will be within the maximum number allowed under the Act has been received from him.

The Company has also received declaration from Mr. Anil Kumar Rawat that he meet 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.

Member are requested to note that the all the relevant documents and statements are available for inspection up to the date of Annual General Meeting at the registered office of the Company during the working Hours.

Your approval is required for appointment of Mr. Anil Kumar Rawat as Independent Director by way of Ordinary Resolution.

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

Item No. 5

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, appointed Mr. Virender Kumar Sharma (DIN: 08920291) as an Independent Non-Executive Additional Director in accordance with Section 161 of the Companies Act, 2013 and he holds office upto the date of forthcoming Annual General Meeting.

In terms of the provisions of Rule No. 8 & 14 the Companies (Appointment and Qualifications of Directors) Rules 2014, the consent for appointment as director of the Company in form DIR-2 and declaration that he is not disqualified to be appointed as director in form DIR-8 and also that post appointment his number of directorships will be within the maximum number allowed under the Act has been received from him.

The Company has also received declaration from Mr. Virender Kumar Sharma that he meets 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.

Member are requested to note that the all the relevant documents and statements are available for inspection up to the date of Annual General Meeting at the registered office of the Company during the working Hours.

Your approval is required for appointment of Mr. Virender Kumar Sharma as Independent Director by way of Ordinary Resolution.

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

Item No. 6

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no Listed Company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

The Members of the Company, at their 39th (Thirty Ninth) Annual General Meeting held on September 9, 2019, had granted approval for re-appointment of Mr. Subash Chand Oswal (DIN: 00088516) as Non-Executive, Independent Directors of the Company for a term of 5 (five) years, w.e.f. September 10, 2019 upto September 09, 2024, not liable to retire by rotation.

Accordingly, the continuation as Non-Executive Independent Directors of Mr. Subash Chand Oswal with effect from July 6, 2021 requires approval of Members by way of Special Resolution being more than 75 years of age. A brief justification for their continuation as Non-Executive Independent Directors on the Board of the Company is as under:

Mr. Subash Chand Oswal has been serving as a Director on the Board of Magnum Ventures Limited since 2008. He has served as a member in various advisory committee of Central/State Government. He has a vast experience of 39 year in corporate ethics and governance.

Item No. 7

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on 28th August, 2020 approved the appointment of M/s V.K. Dube & Co., Cost Accountants (FRN: 000343) as Cost Auditors of the Company to audit the cost records at a remuneration of Rs. 1,00,000/- (Rupees One Lac Only).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 7 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

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

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

Item No. 8

Mr. Parmod Kumar Jain was originally appointed as Non-Executive Director of the Company as on 24th December, 1986. Now, he has been appointed as Whole Time Director of the company for a period of 5 years by Board of Directors in its meeting held on 28th August, 2020 for better guidance & supervision. His appointment requires the approval of members in the next General Meeting and it will be effective from 28th August, 2020.

Currently, Board does not recommend any remuneration to Mr. Parmod Kumar Jain, It will be decided further in the due course. The draft terms and conditions of appointment of Mr. Parmod Kumar Jain are open for inspection at the Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all days except Saturdays, Sundays and holidays, until the date of Annual General Meeting or any adjournment thereof. An Ordinary Resolution in terms as set out in Item No. 8 of the accompanying Notice is Placed before the members in the Meeting for approval.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 40th Annual Report on business and operations along with Audited Annual Accounts for the Financial Year ended 31st March, 2020. The financial highlights for the year under review are given below:

FINANCIAL HIGHLIGHTS

(Amount Rs. in Lakh)

Particulars	Financial Year ended 31st March, 2020	Financial Year ended 31st March, 2019
Total Income	24,269.86	27,866.15
Total Expenditure	25,158.76	27,578.06
Profit /(Loss) Before Tax	(888.90)	288.09
Effect of Extra Ordinary Item	(54.56)	3.40
Provision for tax	0.00	0.00
Current Tax	0.00	56.08
Deferred Tax	274.29	241.86
Profit/(Loss) After Tax	(1,217.75)	(6.45)
Paid-up Share Capital		
Equity Shares	3,760.19	3,760.19
Preference Shares	2,500.00	2,500.00
Earnings Per Share	(3.24)	(0.02)

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIR

Year in Retrospect

During the year under review, total income of the Company was Rs. 24,269.86 Lakh as against Rs. 27,866.15 Lakh in the previous year reflecting loss of 12.90%. During the current reporting period, the Company's Loss after tax is Rs. 1217.75 Lakh.

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. Due to ban on plastic bags, there is increase in demand of paperboards as it is commonly used for packaging purpose.
2. Paperboard can be easily cut and formed, is lightweight, and because it is strong, is used in packaging.
3. It is also used for high quality graphic printing, such as book and magazine covers or postcards.
4. Almost manufacturing are based on orders/ demands, hence, the risk of spoilage are less.
5. Less expenditure on stock/ inventory management.

Benefits of Manufacturing Newsprints

1. Demand for Newsprints paper is increased, that gives an opportunity to increase sale & profitability.

The Detail of Paper Board & Newsprints manufacture and sale during the Fiscal year 2019-20 and 2018-19 are as under:

Particular	2019-20	2018-19
Production	51,262 (In MT)	64,426 (In MT)
Sale	5,32,88,568 (In Kgs)	6,07,77,058 (In Kgs)

Hotel Division

The Company owns a hotel unit in the name of Country Inn & Suites by Radisson, Sahibabad. It is the first eco-friendly vegetarian concept based five-star hotel in Delhi NCR, the second largest in the world under the brand of Country Inn & Suites.

The Hotel Division started its operation w. e. f. 15-02-2009 under the Brand “Country Inn & Suites by Carlson” and has changed its name to “Country Inn & Suites by Radisson” with effect from 17th January 2018. The brand owner Country Rezidor Hotel Group has globally changed name of the hotels to Country Inn & Suites by Radisson. The change in name is done as a strategy to allow the brand and the individual hotels to leverage the global recognition and strength of the Radisson brand.

DIVIDEND

This year your Company has not earned profit so our Directors do not recommend any dividend for the financial year ended 31st March, 2020.

DIRECTORS AND KMPs

In accordance with the provisions of section 152 of The Companies Act, 2013 and the Company’s Articles of Association, Mr. Shiv Pravesh Chaturvedi and Mr. Parmod Kumar Jain, Directors of the Company are liable to retire by rotation and being eligible offer themselves for re-appointment.

Your Directors recommends for their appointment/ re-appointment. None of the Directors of your Company are disqualified as per provision of section 164(2) of Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of The Companies Act, 2013.

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

(i) Appointment/Re-appointment/ Resignation of Independent Directors

Mr. Rakesh Garg (DIN: 02683693) Chairman & Independent Director of the Company, has resigned from the Board of Directors of the Company with effect from the closing business hours of the date of Board Meeting convened to take note of Resignation i.e. 12.02.2020.

Mr. Subhash Chand Oswal (DIN: 00088516), Non- Executive Independent Director, was appointed as Chairman of the Company in the Board Meeting dated 12th day of February, 2020 but due to COVID-19 pandemic & health issues resigned from the post of Chairman w.e.f. 30th July, 2020 and opted to continue as Independent Director only.

Mr. Anil Kumar Rawat has been appointed as a Non-Executive Independent Additional Director of the Company in its Board Meeting dated 28th August, 2020 w.e.f. the approval of DIN i.e. October 13th, 2020 pursuant to provisions of the Companies Act, 2013. Your Directors recommends for his appointment as Non Executive Independent Director of the Company for a term of five consecutive years with effect from October 13th, 2020.

Mr. Virender Kumar Sharma has been appointed as a Non-Executive Independent Additional Director of the Company in its Board Meeting dated 28th August, 2020 w.e.f. the approval of DIN i.e. October 15th, 2020 pursuant to provisions of the Companies Act, 2013. Your Directors recommends for his appointment as Non Executive Independent Director of the Company for a term of five consecutive years with effect from October 15th, 2020.

(ii) Appointment/ Resignation of Director

Mr. Parveen Jain (DIN: 00423833), Promoter & Non- Executive Director, has been appointed as Chairman of the Company in the Board Meeting dated 30th day of July, 2020.

Mr. Parmod Kumar Jain (DIN: 01222952), Director, has been appointed as whole-Time Director of the Company in the Board Meeting dated 28th day of August, 2020 for better guidance.

(iii) Declaration by Independent Directors

The Independent Directors have given their respective declarations to the Board confirming that they meet the criteria of Independence to be appointed as Independent Director under the provisions of the Companies Act, 2013 and as per SEBI (LODR) Regulations, 2015.

(iv) 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 18th March, 2020 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

There are no material changes occurred in between the Financial Year ended on 31st March, 2020 and date of the report of the Company which affects the financial position of the Company except those disclosed in this Board's Report.

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 and there are no outstanding deposits as on 31st March, 2020.

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 at www.magnumventures.in".

AUDIT COMMITTEE

The Audit Committee reconstituted dated 12th February, 2020 and comprised of Independent Directors namely Mr. Krishan Gopal Sharma (Chairman), Mr. Subash Chand Oswal (Member) and Ms. Jyoti (Member).

All the recommendations made by the Audit Committee were accepted by the Board. Further details are included in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee reconstituted dated 12th February, 2020 and comprised of Mr. Krishan Gopal Sharma (Chairman), Mr. Subash Chand Oswal (Member) and Ms. Jyoti (Member). All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

The Nomination and Remuneration Policy has also been framed by the Nomination and Remuneration Committee and can be accessed on the Company website at www.magnumventures.in". Further details are included in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee reconstituted dated 12th February, 2020 and comprised of Mr. Subash Chand Oswal (Chairman), Mr. Krishan Gopal Sharma (Member) and Ms. Jyoti (Member).

All the recommendations made by the Stakeholders Relationship Committee were accepted by the Board. Further details are included in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 with respect to Corporate Social Responsibility (CSR) were not applicable to the Company for the Financial Year 2019-20.

MEETINGS OF THE BOARD

The Board of Directors met at Seven (7) times on 28th May 2019, 25th June 2019, 12th August 2019, 07th October 2019, 12th November, 2019, 08th January 2020 and 12th February 2020 during the Financial Year 2019-20, Further company also had a meeting of Independent Directors dated 18th March, 2020.

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.

The related party transaction, referred to Section 188(1) of the Companies Act, 2013, entered and continued during the Financial Year are attached herewith in Form AOC-2 as ***Annexure III***.

RISK MANAGEMENT

Your Company has established the Risk Management System to mitigate the risk faced by the Company in the ordinary course of business. The Company has also formulated a Risk Management policy which is available on the Company's website www.magnumventures.in. The factors that affect the Company's profitability and operations are regularly monitored and offers/proposals submitted by the Company to its customers are modified accordingly. 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 adequate internal financial controls with reference to financial statements. Please refer report on Internal Financial control, which forms the part of Auditors' Report.

CORPORATE GOVERNANCE

The Company is in compliance of all mandatory requirement of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (hereinafter referred to as 'SEBI Listing Regulations'), with the Stock Exchanges. For the year ended March 31, 2020, the compliance status is provided in the Corporate Governance section of the Annual Report. A Certificate issued by CS Vijay Kumar Sharma, Company Secretary in Practice on confirming compliance of the conditions of Corporate Governance stipulated in 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 April 1, 2019 to March 31, 2020 is annexed in **Annexure IV**.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Aggarwal & Rampal, Chartered Accountants, (FRN: 003072N) were appointed as Statutory Auditors for a period of Five years in the 38th Annual General Meeting held on 22nd Day of September, 2018 till the 43rd Annual General Meeting to be held in the year 2023.

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 observations:**

In Audit Report

- As per Point No. 23 to the Notes to Accounts annexed with the Financial Statements for the year ended March 31, 2020 where the company has decided not to provide for any provision in lieu of the impact of COVID 19 pandemic to its financial assets as per the annexed Financial Statements in contravention to the guidelines/advisory on "Impact of Corona Virus on Financial Reporting and the Auditors Consideration" issued by The Institute of Chartered Accountants of India on March 27, 2020.
Accordingly, we are unable to ascertain impact of the same on the Financial Statements.
Our opinion is not modified in respect of this matter.*

Directors' Reply: The Company has decided not to provide for any provision in lieu of impact of Covid 19 Pandemic to its financial assets because of at the time of finalization of balance sheet it was too early stage for comment on impact of corona virus on financial. The auditor has raised this observation in auditor's report but they have clearly mentioned that their opinion is not modified in respect of this matter.

2. *As per Note No. 7 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020 wherein the total outstanding debtors for the year ended March 31, 2020 include Rs. 2657 lakhs which are due for more than six months and out of which debtors of Rs.59.64 lakhs are under litigations. The Company has not made any provision for debtors outstanding for more than six months.*

Directors' Reply: Your Company has appointed a Recovery Manager to recover the outstanding dues from the Debtors and total outstanding debtors for the year ended March 31, 2020 is Rs. 2657 Lakh as against Rs. 3140 Lakh in the previous year. The management is in hope that he will recover the amount soon.

3. *As per Note No. 20 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020 stating that the company had started production of Kraft Paper in Financial Year 2017-18 although there are heavy losses in its production since inception, the company is expecting profits in upcoming years from the production of this product and in order to capture more market the production of the same is being continued.*

Directors' Reply: Due to this sharp increase in the cost of raw materials (waste paper) and our inability to pass on the hike to consumers due to cheap imports from ASEAN countries under the Free Trade Agreement (FTA), paper mills have been suffering losses. There has been substantial increase in the cost borne by paper mills due to the rise in imported waste paper, local waste, coal, chemicals, wages and power. In this present market scenario paper mills cannot raise the sale prices of their finished product and bearing high input costs.

4. *As per Note No. 22 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020. During the year, godown of Paper Mill caught fire which led to loss amounting to Rs. 593 lakhs, although the stock was insured and loss claim was filed before the insurance company during the year but the claim is not finalized till date.*

Directors' Reply: During the year godown of paper mill caught fire on 30th December, 2020, all stock was insured and claim amounting Rs. 593 lakhs was filed before the insurance company but the Company has received an amount Rs. 395 lakhs on dated 21.09.20 as full and final payment against this claim.

5. *As per Note No. 23 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020. Due to Covid 19 outbreak lockdown was imposed across the country from March 22, 2020 and the business operations got suspended from the said date. The Company has started its operations of Paper division from July 24, 2020, however the hotel division stands closed till date until further directions/ guidelines issued by the State/ Central Government with regards to re-opening.*

Directors' Reply: Due to COVID 19 lockdown was imposed across the country from March 22, 2020, but your company has started its operation in paper division from 24th July, 2020 and partly from 1st September, 2020 in Hotel division.

6. *Balances of Debtors & Creditors are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.*

Directors' Reply: The Company is reconciling its account with their debtors and creditors and no major deviation is expected in the balances of debtors and creditors.

COST AUDITORS

In accordance with the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 Rule 3 and 4 mandates Paper Industry to get the audit of its cost records after a prescribed turnover of the product and the Company is required to get its cost record audited for the Financial Year 2019-20.

M/s V.K. Dube & Co., Cost Accountants, were appointed as Cost Auditors of the Company to audit the cost records of the Company for Financial Year 2019-20.

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

Mr. Sushil Kumar Verma was appointed as Internal Auditor of the Company for the Financial Year 2019-20 w.e.f. 28th May, 2019.

Particulars of Internal Auditors' are mentioned below:

Name of the Internal Auditor	Mr. Sushil Kumar Verma
Address:	Cedar-I/110, Gulmohar Enclave, Rakesh Marg, Nehru Nagar – III, Ghaziabad, Uttar Pradesh
E-mail id	magnumventures@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 2019-20. The Secretarial Audit Report for the Financial Year ended 31st March, 2020 is annexed herewith marked as **Annexure V** 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-9924
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 observations:**

- 1. The limited review reports or audit reports submitted to the stock exchange(s) given by the auditor who has not subjected himself to the peer review process of Institute of Chartered Accountants of India and do not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.*

Director's Response: The Statutory Auditors of the Company have confirmed that their practice unit is a peer reviewed one having PU no. 0500191606 and second cycle of review is in process and will be completed by the end of 2020.

- 2. The Company has submitted the Annual Report along with the notice of the Annual General Meeting for the financial year 2018-19 to the stock exchange(s), later of the commencement of dispatch of aforesaid report to its shareholders.*

Director's Response: The said delay in filing was inadvertent & due to system failure on the last date and without any *mala fide* intention. However, the Company has submitted all the required documents before completion of dispatch of Notice and before 21 days to the AGM.

- 3. The Company has established Gratuity Fund for securing the payment of Gratuity and obtained necessary approvals. However, sufficient amount was not transferred therein for securing the payment of gratuity.*

Director's Response: During FY 2019-20, Company is going through heavy losses and shortage of working capital. However the Company is making its best efforts to comply with the gratuity provisions and to deposit sufficient amount for securing the payment of gratuity.

4. *The Company has delayed in filing of Form GSTR-1 for few months.*

Director's Response: The said delay in filing was inadvertent and caused due to system failure on the last date and without any *mala fide* intention. However the Company has filed all the required forms & returns to the concerned authorities.

5. *The Company had defaulted in repayment of loans from Vijaya Bank amounting to Rs. 4,00,50,000/- and no agreement for reconstruction have been entered into, however the case in this regards is pending before Hon'ble Delhi High Court.*

Director's Response: The case in this regards is already pending before Hon'ble Delhi High Court, the Company will take suitable action accordingly.

6. *The Company has delayed in the payment of wages to its employees for few months.*

Director's Response: The said delay in payment was inadvertent & and without any *mala fide* intention. However the Company has made all payment of wages to its employees.

ANNUAL SECRETARIAL COMPLIANCE REPORT

In compliance with SEBI circular dated February 8, 2019, bearing reference no. CIR/CFD/CMD1/27/2019, the Company has filed the Annual Secretarial Compliance Report for the year 2019-20 with the BSE Ltd and National Stock Exchange of India Limited. The report was received from Practicing Company Secretary and filed within the stipulated time.

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, 2020, 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, 2020 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.

MAINTENANCE OF COST RECORDS

Your Company maintains cost records as specified by the Central Government under Section 148(1) of the Companies Act.

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 and the policy is available on the Company's website www.magnumventures.in.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year 2019-20, no complaints were received by the Company related to sexual harassment.

ANNUAL RETURN

As required pursuant to Section 134 of the Companies Act, 2013, Annual Return in Form MGT 7 shall be available at the Company's website at www.magnumventures.in.

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 Limited (BSE Scrip Code: 532896) and National Stock Exchange (NSE Symbol: MAGNUM).

The listing fee for the Financial Year 2020-21 has already been paid to the Bombay Stock Exchange and National Stock Exchange.

COMPLIANCE ON SECRETARIAL STANDARDS

The Provisions of the applicable Secretarial Standards has been duly complied with during the Financial Year 2019-20.

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 good track record on safety. However, a fire accident occurred at Company's godown situated at 18/29-31, Site-IV, Industrial Area, Sahibabad, Ghaziabad, UP 201010 on 30th December, 2019. Due to fire stocks, ceiling, and other areas of godown were damaged heavily. Although the stock was insured and loss claim was filed before the insurance company during the year. 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.

CAPITAL STRUCTURE:

The paid up share capital of the Company is Rs. 62,60,18,840/- (Rupees Sixty Two Crore Sixty Lakh 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 fully paid up Non-Convertible and Non-Cumulative Preference Shares of Rs. 100/- each amounting to Rs. 25,00,00,000/- .

RECEIPT OF AMOUNT FROM DIRECTORS:

During the Financial Year 2019-20, the Company has received following amounts from the Directors as referred in sub-clause (viii) of clause (c) of sub-rule (1) of Rule 2 of Companies (acceptance of Deposits) Rules, 2014 along with declarations thereof:

S. No.	Name of Director	Amount Received by the Company
1.	Mr. Praveen Kumar Jain	Rs. 12,70,30,661/-

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/-

Pradeep Kumar Jain

Managing Director

DIN: 00024879

Add: 111/3, Darya Ganj,
New Delhi - 110002

Sd/-

Abhey Jain

Whole -Time Director

DIN: 01876385

Add: 113/3-4, Ansari Road,
Darya Ganj, New Delhi -110002

Date: 16/10/2020

Place: Ghaziabad

Annexure I

FORM A

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

Power and fuel Consumption

		Current Year (2019-20)	Previous Year (2018-19)
I	Electricity		
	(a) Purchased		
	Unit	9362100	10599675
	Total Amount	72922812	81418097
	Rate/Unit	7.79	7.68
	(b) Own generation		
	(i) Through Diesel Generator		
	Units	72000	60000
	Units per Ltr. of Diesel Oil	3	3.00
	Cost/ Units	22.04	21.97
	(ii) Through steam turbine		
	Units	41227200	59957850
	Units per Kgs of Coal/ Petcoke	0.890	1.03
	Cost/ Units	6.82	8.15
II	Coal & Pet Coke (Used for production of Paper)		
	Particulars		
	Quantity (In MT)	46307.72	62031.09
	Total Cost (In LAKH)	2810.37	4126.62
	Average rate (In MT)	6068.90	6652.50
III	Furnace oil		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Average rate	Nil	Nil
IV	Others /Internal generation (please give details)		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Rate/Unit	Nil	Nil
	Consumption per unit of production		
	Standard (if any)	Current Year	Previous Year
	Production Kg.	51481567	64426184
	Electricity (per Unit.)	1.42	1.10
	Furnace oil	Nil	Nil
	Coal & Pet Coke (Per kg.)	Nil	0.96
	Others (Specify)	Nil	Nil

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy - **Yes**
- (ii) The steps taken by the company for utilising alternate sources of energy - **Modification with new technology in the existing systems.**
- (iii) The capital investment on energy conservation equipments - **Approx 27000/-**

(B) Disclosure of particulars with respect to Technology Absorption

- (i) the efforts made towards technology absorption; **Yes**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; **Yes**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- **No**
- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof- **NA**
- (iv) the expenditure incurred on Research and Development. **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:

Particulars		<i>(Amount in Lakh)</i>
Total Import		
	Paper	6526.50
	Hotel	0
Total Export		
	Paper	194.04
	Hotel	0

(ii) Foreign Exchange Earnings and Outgo:

Particulars		<i>(Amount in Lakh)</i>
Total Foreign Exchange Inflow		
	Paper	194.14
	Hotel	119.16
Total Foreign Exchange Outflow		
	Paper	0.00
	Hotel	14.06

For and on Behalf of the Board

Magnum Ventures Limited

Sd/-

Pradeep Kumar Jain

Managing Director

DIN: 00024879

Date: 16/10/2020

Place: Ghaziabad

Sd/-

Abhey Jain

Whole -Time Director

DIN: 01876385

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 percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under;**

S. No.	Name of the Director/ KMP for the F Y 2019-20	Remuneration	Ratio	% of increase of remuneration in FY 2019-20
1.	Mr. Pradeep Kumar Jain	8,00,000	5.56	233
2.	Mr. Parmod Kumar Jain	0	0	0
3.	Mr. Abhey Jain	8,00,000	5.56	23.10
4.	Mr. Shiv Pravesh Chaturvedi	7,34,400	5.1	4.26
5.	Mr. Parv Jain	16,80,000	11.67	120.18
6.	Mr. Mohit Kumar Goel	4,78,000	3.32	772.87

- (ii) **The percentage increase in the median remuneration of employees in the financial year;**
The median remuneration of employees has increased 20% amounted to Rs.144,000/- during the FY 2019-20 as compared to Rs. 120,000/- in FY 2018-19.
- (iii) **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: 572 (Hotel), 678 (Paper)
At the end of the year: 563 (Hotel), 675 (Paper)
- (iv) **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**
There is nominal increase in the remuneration of employees during the FY 2019-20 but average increase in remuneration of managerial personnel is 192.24%. As the Company was paying minimum remuneration to Mr. Pradeep Kumar Jain (MD), Abhey jain (WTD) & Parv Jain (CFO) in the previous financial year and Mr. Mohit Goel (CS) has joined in the February 2019, this resulted in heavy percentile increase in Managerial Remuneration.
- (v) **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:

- I. 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**
- II. 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**
- III. 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 Joining	Qualification	Total Experience (in Years)	Last Employment	% of Shares held in the Company	Whether relative of any director or manager of the company	Annual Net Earning
1	Vikas Rastogi	46	General Manager- Production	03/05/2011	PGD- Pulp & Paper Technology	22	Uniglobal Paper Mills Private Limited, West Bengal	0	No	24,60,000
2	Sukhpreet Kaur Bedi	43	Director of Business Development	08/03/2011	B.A.	25	Imperial Hotel	0	No	23,53,800
3	Nopin Kumar	44	General Manager- Production	07/07/2011	B. Sc	23	Ballarpur Industries (BILT)	0	No	18,60,000

4	Naresh Chandra Sharma	66	Director - Human Resources	07/05/200	PGDBA + Dip. In HRD	43	Shapoorji Pallonji Co. & Ltd.	0	No	16,80,000
5	Samar Goyal	35	Director of Sales – Travel	06/12/201	B. Sc in Hotel Management	13	The Grand, New Delhi	0	No	15,30,420
6	Sushil Chander Chug	67	General Manager	26/11/200	Hotel Management	41	The Lalit, New Delhi	0	No	14,94,120
7	Ravinder Thakur		General Manager (Security & Operational Control)			33		0	No	14,65,140
8	Shahbuddin Ansari	42	General Manager- Instrument	04/08/201	B. Tech	11	Bahl Paper Mills	0	No	14,46,000
9	Neeraj Pal Singh Tomar	47	Director of Rooms	05/12/200	PGD in Accommodation Management	22	Crowne Palaza Today Gurgaon	0	No	14,35,140
10	Rajesh Kadyan	36	Director Sales - Corporate	12/07/201	Hotel Management	14	VCI Hospitality Ltd. New Delhi as Sales Manager	0	No	13,43,880

For and on Behalf of the Board
Magnum Ventures Limited

Sd/-

Sd/-

Pradeep Kumar Jain

Managing Director

DIN: 00024879

Add: 111/3, Darya Ganj,
New Delhi - 110002

Abhey Jain

Whole -Time Director

DIN: 01876385

Add: 113/3-4, Ansari Road,
Darya Ganj, New Delhi -110002

Date: 16/10/2020

Place: Ghaziabad

ANNEXURE III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**

(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contract/arrangements/transactions	
(c)	Duration of contract/arrangements/transactions	
(d)	Salient terms of contract or Arrangements or transactions including value, if any	
(e)	Justification for entering in to such contract or Arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advance, if any	
(h)	Date on which special resolution was passed in General Meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. No	Particular	(1)	(2)	(3)	(4)
(a)	Name of the related party and nature of relationship	Mr. Rishabh Jain (Relative of KMP)	Mr. Ritesh Jain (Relative of KMP)	Mrs. Shashi Jain (Relative of KMP)	Mr. Parv Jain (KMP)
(b)	Nature of contract/arrangements/transactions	Related party's appointment to any office or place of profit in the company	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the	Related party's appointment to any office or place of profit in the

		(Salary)		company (Salary)	company (Salary)
(c)	Duration of contract/ arrangements/transactions	NA	NA	NA	NA
(d)	Salient terms of contract or Arrangements or transactions including value, if any	As per Board's approval Rs. 15,00,000/-	As per Board's approval Rs. 15,00,000/-	As per appointmen t Letter Rs. 1,20,000/-	As per Board's approval Rs. 16,80,000/-
(e)	Date(s) of approval by the Board, if any:	01.01.2019	01.01.2019	26.04.2017	01.01.2019
(f)	Amount paid as advance if any:	NIL	NIL	NIL	---

S. No	Particular	(5)	(6)	(7)	(8)
(a)	Name of the related party and nature of relationship	Mr. Shrenik Jain (Relative of KMP)	Mr. Ujjwal Jain (Relative of KMP)	Mrs. Rita Jain (Relative of KMP)	Mrs. Veena Jain (Relative of KMP)
(b)	Nature of contract/ arrangements/ transactions	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)
(c)	Duration of contract/ arrangements/transactions	NA	NA	NA	NA
(d)	Salient terms of contract or Arrangements or transactions including value, if any	As per Board's approval Rs. 16,20,000/-	As per Board's approval Rs. 12,50,000/-	As per Board's approval Rs. 15,00,000/-	As per Board's approval Rs. 18,00,000/-
(e)	Date(s) of approval by the Board, if any:	01.01.2019	01.01.2019	01.01.2019	01.01.2019
(f)	Amount paid as advance if any:	NIL	NIL	NIL	NIL

S. No	Particular	(9)	(10)	(11)	(12)
(a)	Name of the related party and nature of relationship	Mrs. Mehak Jain (Relative of KMP)	Mrs. Asha Jain (Relative of KMP)	Mrs. Parul Jain (Relative of KMP)	Mr. Paras Jain (Relative of KMP)
(b)	Nature of contract/arrangements/ transactions	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)
(c)	Duration of contract/arrangements/transactions	NA	NA	NA	NA
(d)	Salient terms of contract or Arrangements or transactions including value, if any	As per appointment Letter Rs. 6,00,000/-	As per Board's approval Rs. 12,50,000/-	As per Board's approval Rs. 12,00,000/-	As per Board's approval Rs. 16,20,000/-
(e)	Date(s) of approval by the Board, if any:	26.04.2017	01.01.2019	01.01.2019	01.01.2019
(f)	Amount paid as advance if any:	NIL	NIL	NIL	NIL

S. No	Particular	(13)	(14)	(15)	(16)
(a)	Name of the related party and nature of relationship	Mrs. Parul Jain (Relative of KMP)	Mrs. Meenal Jain (Relative of KMP)	Mr. Akhil Jain (Relative of KMP)	Mrs. Monika Jain (Relative of KMP)
(b)	Nature of contract/arrangements/transactions	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)	Related party's appointment to any office or place of profit in the company (Salary)

(c)	Duration of contract/arrangements/transactions	NA	NA	NA	NA
(d)	Salient terms of contract or Arrangements or transactions including value, if any	As per Board's approval Rs.4,30,000/-	As per Board's approval Rs. 15,00,000/-	As per Board's approval Rs. 4,78,000/-	As per Board's approval Rs.15,00,000 /-
(e)	Date(s) of approval by the Board, if any:	01.01.2019	01.01.2019	26.04.2017	01.01.2019
(f)	Amount paid as advance if any:	NIL	NIL	NIL	NIL

S. No	Particular	(17)	(18)	(19)	(20)
(a)	Name of the related party and nature of relationship	Mrs. Saroj Jain (Relative of KMP)	Mr. Salek Chand Jain	Mr. Pramod Kumar Jain	Mr. Vinod Kumar Jain
(b)	Nature of contract/arrangements/transactions	Related party's appointment to any office or place of profit in the company (Salary)	Availing or rendering of any services (Professional Consultancy)	Availing or rendering of any services (Professional Consultancy)	Availing or rendering of any services (Professional Consultancy)
(c)	Duration of contract/arrangements/transactions	NA	NA	NA	NA
(d)	Salient terms of contract or Arrangements or transactions including value, if any	As per Board's approval Rs. 5,50,000/-	As per agreement Rs. 12,00,000	As per agreement Rs. 16,00,000	As per agreement Rs. 10,00,000
(e)	Date(s) of approval by the Board, if any:	01.01.2019	01.01.2019	01.01.2019	01.01.2019
(f)	Amount paid as advance if any:	NIL	Nil	Nil	Nil

S. No	Particular	(21)
(a)	Name of the related party and nature of relationship	Mr. Johri Mal Kamal Kishore (Relative of KMP)
(b)	Nature of contract/arrangements/transactions	Purchase of any goods or materials
(c)	Duration of contract/arrangements/transactions	Yearly Basis
(d)	Salient terms of contract or Arrangements or transactions including value, if any	Not Applicable Rs. 10,93,429/-
(e)	Date(s) of approval by the Board, if any:	26.04.2017
(f)	Amount paid as advance if any:	NIL

**By the order of the Board of Directors
For Magnum Ventures Limited**

Sd/-

Pradeep Kumar Jain

Managing Director

DIN: 00024879

Address: 111/3, Darya Ganj,
New Delhi - 110002

Sd/-

Abhey Jain

Whole -Time Director

DIN: 01876385

Address: 113/3-4, Ansari Road, Darya Ganj
New Delhi - 110002

Date: 16/10/2020

Place: Ghaziabad

REPORT ON CORPORATE GOVERNANCE

Pursuant to 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 April 1, 2019 to March 31, 2020 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 SEBI (LODR) Regulation, 2015 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.

BOARD OF DIRECTORS

As per the Companies Act 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has an optimum combination of Executive and Non-Executive Directors. The Company has total 8 (Eight) directors on the Board as on 31st March, 2020. The Company's Board is well balanced and has an optimum combination of skills / competencies.

The composition of the Board of Directors along with their brief resume as on March 31, 2020 is given as under:

Mr. Pradeep Kumar Jain

Mr. Pradeep Kumar Jain is Managing Director of the Company. He holds Bachelor's Degree in Arts from Delhi University. He, along with his father, entered into the business of Company. He has more than 39 years of experience in the Paper Industry. He is responsible for production, marketing and administration of the Paper Unit of the Company. He is also responsible for the administration of the Hotel Unit of the Company.

Mr. Abhey Kumar Jain

Mr. Abhey Jain, Whole-Time Director of the Company. He holds Bachelors' Degree in Arts from Delhi University. Mr. Jain has an experience of 25 years in the Paper Industry. He is handling the purchase of Raw Materials and looking after the Marketing and manufacturing process of Paper and Duplex Board. He is also involved in the marketing and business development of the Hotel Business of the Company.

Mr. Praveen Kumar Jain

Mr. Praveen Kumar Jain, Promoter Director of the Company. He holds Bachelors' Degree in Arts from Delhi University. He has an experience of over 40 years in the Paper industry. He is primarily involved in strategic decision-making. He has been instrumental in development of the Hotel project in the Company and structuring technological up gradation and modernization program undertaken in the Paper Units. He is looking after the finance & accounts function of the Company, besides company secretarial function. He is also associated as Managing Director of M/s Rose Corner Trading LLC, Dubai.

Mr. Parmod Kumar Jain

Mr. Parmod Kumar Jain is the Promoter Director of the Company. He holds Bachelors' Degree in Commerce from Delhi University. He is associated with the Company since 1986. He is responsible for Exports and Institutional Sales. He is also looking after personnel, logistics and liaising with different Government departments. He possesses more than 41 years of experience in the manufacturing and marketing of Paper, Paper Products and Paper Board. He is responsible for redressing the customer complaints and advising the production department on aspects of quality improvement taking into account the customers' feedback.

Mr. Subash Oswal

Mr. Subash Oswal is an Arts Graduate. Mr. Oswal has acted as General Secretary of Akhil Bhartiya Digambar Jain Parishad and also acted as a member in various advisory committee of Central/State Government. He has a vast experience of 44 year in corporate ethics and governance. He was appointed as a Non- Executive and Independent Director of the Company w.e.f June 26, 2008. Mr. Oswal is also associated as Director in M/s Oswal Promoters Private Limited.

Mr. Shiv Pravesh Chaturvedi

Mr. Shiv Pravesh Chaturvedi is M.B.A. in Human Resources from Asian Institute of Management & Technology, Delhi. He has experience of 23 years in the paper manufacturing sector. He has also diploma degree in Personnel Management and Industrial Relation from Bhartiya Siksha Parishad, U.P.

Mr. Krishan Gopal Sharma

Mr. Krishan Gopal Sharma is Post Graduate in Commerce and is a retired Assistant Bank Manager, he has specialization in Banking and has around 39 years of experience in area of Banking.

Ms. Jyoti

Ms. Jyoti is a commerce graduate from Delhi University, having experience in Human Resource, Administration and Management and has worked with Technonics Solutions, Imaginators, for clients like AMEX, Converges, Barclays and Cvent etc. She also serves on the Board of Codword Global.

Mr. Mohit Kumar Goel

Mr. Mohit Kumar Goel, Company Secretary cum Compliance Officer of the Company. He is a commerce and Law graduate. He has a total experience of 8 years in finance, legal & secretarial and has worked with Dhanvantri Jeevan Rekha, Mahagun Group and other legal & Secretarial firms.

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 Jain Whole-Time Director	Executive & Promoter	Nil	Nil	Nil
Mr. Parmod Kumar Jain Director	Non-Executive & Promoter	Nil	Nil	Nil
Mr. Praveen Kumar Jain Director	Non-Executive & Promoter	Nil	Nil	Nil
Mr. Subash Chand Oswal Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Krishan Gopal Sharma Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Shiv Pravesh Chaturvedi Director	Executive	Nil	Nil	Nil
Ms. Jyoti Director	Non-Executive & Independent	Nil	Nil	Nil

Directors' Attendance Record

The Board of Directors met Seven times on 28th May 2019, 25th June 2019, 12th August 2019, 07th October 2019, 12th November, 2019, 08th January 2020 and 12th February 2020 during the financial year 2019-20. 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 Regulations, 2015. Details of attendance of Directors in the Board meeting during the financial year 2019-20 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 Jain	7	7	Yes
2	Mr. Pradeep Kumar Jain	7	7	Yes
3	Mr. Parmod Kumar Jain	7	7	Yes
4	Mr. Praveen Kumar Jain	7	2	No

5	Mr. Subash Chand Oswal	7	7	No
6	Mr. Rakesh Garg	7	6	No
7	Mr. Krishan Gopal Sharma	7	7	Yes
8	Mr. Shiv Pravesh Chaturvedi	7	6	Yes
9	Ms. Jyoti	7	1	No

Disclosure of relationship between directors inter-se:

S. No.	Name of Directors	Nature of Relation
1.	Pradeep Kumar Jain	Brother of Director
2.	Praveen Kumar Jain	Brother of Director
3.	Parmod Kumar Jain	Brother of Director
4.	Abhey Jain	Son of Directors Brother

Number of Shares held by Non-Executive Directors: Mr. Praveen Kumar Jain (Non- Executive Director) is holding 1,66,48,510 Equity Shares and 25,00,000 Preference Shares of the Company and Mr. Parmod Kumar Jain (Non- Executive Director) is holding 2,00,150 Equity Shares of the Company. However Parmod Kumar Jain has been appointed as Whole-Time Director of the Company w.e.f. 28th August, 2020.

Familiarization Programme: The details of Familiarization Programme imparted in the F.Y. 2018-19 is given at Company's website at www.magnumventures.in. However, No Familiarization Programme conducted during 2019-20 as there is no new appointment on the Board during 2019-20.

Skills, Expertise, Competencies of Directors:

The Company believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspectives appropriate to the Company. The Directors should possess one or more of the following skills, expertise and competencies

1. Business Leadership
2. Management & Strategic Insight
3. Organisational Capacity Building
4. Policy Evaluation
5. Culture Building
6. Risk Management and Compliance
7. Stakeholders' value creation

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

As per Regulation 36(3) of SEBI (LODR) Regulations, 2015, 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	Mr. Anil Kumar Rawat	Mr. Virender Kumar Sharma	Mr. Parmod Kumar Jain
DIN	08917556	08920291	01222952
Father's Name	Sh. Satya Narayan Sharma	Sh. Roshan Lal Sharma	Mr. Salek Chand Jain
Date of Birth	17-10-1955	21-02-1955	02-04-1956
Address	1290, Mohalla Holi Vala, Tappal, Aligarh, Uttar Pradesh- 202165	10, Eklavya Apartment, Plot No. 18/1 Sector-13, Rohini Sector-9, North West Delhi, Delhi 110085	4326/3, Ansari Road Darya Ganj New Delhi 110002
Designation	Additional Director	Additional Director	Director
Education	BAMS (Bachelor in Ayurved with Modern Medicine & Surgery) from Kanpur University	Mechanical Engineering from AMIE (Associate Member of Institutions of Engineers) Calcutta	B. Com. From Delhi University
Experience	38 Years	40 Years	40 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	Nil	Equity Shares Number: 2,00,150 %age: 0.53%

Particulars	Mr. Shiv Pravesh Chaturvedi
DIN	06834388
Father's Name	Sh. Hari Shankar Chaturvedi
Date of Birth	01-01-1975
Address	C-1103, Arunima Palace, Sector-4, Vasundhara, Ghaziabad 201012 UP IN
Designation	Director
Education	MBA from AIMT, Delhi
Experience	23 years
Companies in which holds Directorship	Nil

Companies in which holds membership of Committees	Nil
Shareholding in the Company (No. & %)	Nil

In the opinion of the Board, the Independent Directors of the Company has appropriate expertise and experience and fulfill the conditions specified in these Regulations and are independent of the management.

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. Qualification 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.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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.
- 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) of SEBI (LODR) Regulations, 2015.
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

(b) Composition

The Committee was last reconstituted on 12th February, 2020.

The Audit Committee comprises three directors with the Chairman, being an Independent Director, with expertise in financial and accounting areas.

1. Mr. Krishan Gopal Sharma - Chairman (Independent Director)
2. Mr. Subash Chand Oswal - Member (Independent Director)
3. Ms. Jyoti – Member (Independent Director)

Mr. Mohit Kumar Goel, Company Secretary, acts as the Secretary to the Audit Committee.

(c) Attendance

The Committee met Five (05) times during the Financial Year 2019-20 on the following dates: 28.05.2019, 25.06.2019, 12.08.2019, 12.11.2019 and 12.02.2020. 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. Rakesh Garg	Non-Executive Independent Director	4
Mr. Subash Chand Oswal	Non-Executive Independent Director	5
Mr. Krishan Gopal Sharma	Non-Executive Independent Director	5
Ms. Jyoti	Non-Executive Independent Director	0

4. NOMINATION & REMUNERATION COMMITTEE (REGULATION 19)

(a) Terms of Reference

The role of the committee shall inter alia, include the following:

- Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- Devising a policy on Board diversity.

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of independent directors, on the basis of report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

(b) Composition

The Committee was last reconstituted on 12th February, 2020. The Remuneration Committee consists of Three Directors, all of them being non-executive and independent directors.

1. Mr. Krishan Gopal Sharma - Chairman (Independent Director)
2. Mr. Subash Chand Oswal - Member (Independent Director)
3. Ms. Jyoti – Member (Independent Director)

Mr. Mohit Kumar Goel, Company Secretary, acts as the Secretary to the Nomination and Remuneration Committee.

(c) Attendance

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

The Committee met Three (03) times during the Financial Year 2019-20 on the following dates: 28.05.2019, 25.06.2019 and 12.08.2019. 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 Chand Oswal	Non-Executive Independent Director	3
Mr. Rakesh Garg	Non-Executive Independent Director	2
Mr. Krishan Gopal Sharma	Non-Executive Independent Director	3
Ms. Jyoti	Non-Executive Independent Director	0

(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 Jain, Whole Time Director, Mr. Parv Jain, Chief Financial Officer, Mr. Shiv Pravesh Chaturvedi, Executive Director and Ms. Neha Gupta & Mr. Mohit Kumar Goel, Company Secretary of the Company have received remuneration for the financial year 2019-20. 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, 2020

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. Pardeep Kumar Jain Managing Director	8,00,000	Nil	Nil	8,00,000	2,00,650 (0.53%)
Mr. Abhey Jain Whole-Time Director	8,00,000	Nil	Nil	8,00,000	3,02,600 (0.80%)
Mr. Parmod Kumar Jain Director	Nil	Nil	Nil	Nil	2,00,150 (0.53%)
Mr. Parveen Jain Director	Nil	Nil	Nil	Nil	1,66,48,510 (44.28%)
Mr. Shiv Pravesh Chaturvedi Director	7,34,400	Nil	Nil	7,34,400	Nil
Mr. Mohit Kumar Goel Company Secretary	4,78,000	Nil	Nil	478,000	Nil
Mr. Subash Chand Oswal Director	Nil	Nil	44,000	Nil	Nil
Mr. Rakesh Garg Director	Nil	Nil	38,000	Nil	Nil
Mr. Krishan Gopal Sharma Director	Nil	Nil	44,000	Nil	Nil
Ms. Jyoti Additional Independent Director	Nil	Nil	4,000	Nil	Nil

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (REGULATION 20)

(i) Terms of Reference

The role of the committee shall *inter-alia* include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(ii) Composition

The Committee was last reconstituted on 12th February, 2020. The Stakeholders Relationship Committee comprised of the following directors:

1. Mr. Subash Chand Oswal - Chairman (Independent Director)
2. Mr. Krishan Gopal Sharma - Member (Independent Director)
3. Ms. Jyoti– Member (Independent Director)

(iii) Mr. Mohit Kumar Goel, 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 2019-20 are as follows:

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

(v) Attendance

The Committee met Twenty Nine (29) times during the Financial Year 2019-20 on the following dates: 10.04.2019, 20.04.2019, 30.04.2019, 10.05.2019, 20.05.2019, 31.05.2019, 12.06.2019, 25.06.2019, 29.06.2019, 10.07.2019, 20.07.2019, 31.07.2019, 09.08.2019, 19.08.2019, 31.08.2019, 15.09.2019, 30.09.2019, 15.10.2019, 30.10.2019, 13.11.2019, 27.11.2019, 11.12.2019, 24.12.2019, 08.01.2020, 22.01.2020, 05.02.2020, 19.02.2020, 04.03.2020 and 18.03.2020. 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. Rakesh Garg, Chairman	Non-Executive Independent Director	26
Mr. Subash Chand Oswal,	Non-Executive Independent Director	29

Member		
Mr. Krishan Gopal Sharma, Member	Non-Executive Independent Director	29
Ms. Jyoti	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.

6. GENERAL BODY MEETINGS

Details of the location of the last three Annual General Meetings of the Company:

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2016-17	20.09.2017	11:30 AM	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	0
2017-18	22.09.2018	11:00 AM	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	0
2018-19	09.09.2019	11:00 AM	Galib Institute, AIWAN-E-GALIB MARG, New Delhi-110002	2

7. MEANS OF COMMUNICATION

(a) The Quarterly / half-yearly / annual Financial Results are published in The Financial Express (English) and Jansatta (Hindi) Newspapers and displayed on Company's website: www.magnumventures.in

(b) The Company keeps on updating its website to provide comprehensive relevant information. The Company believes that all the stakeholders should have access to adequate information about the Company and in today's electronics age website is the best media for such dissemination of information. All information, which could have a material bearing on the share prices, is released at the earliest.

(c) The Management Discussion and Analysis forms a part of the Annual Report as **Annexure -VI**

(d) The Company has not made any formal presentations to the institutional investors or to the analysts during the year.

8. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
Tuesday, 10 th November, 2020	11:00 A.M.	Through Video Conferencing (VC)

ii) Financial Year : The Financial Year Starts from 01st April, 2019 and ends on 31st March, 2020.

iii) Dates of Book Closure : 04th November, 2020 to 10th November, 2020 (Both days inclusive)

iv) Dividend Payment Date : No Dividend is declared.

v) Listing on Stock Exchanges: Equity 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
April 2019	5.69	4.15	40651
May 2019	6.50	4.00	164924
June 2019	7.59	4.41	196718
July 2019	5.48	4.15	20275
August 2019	4.20	3.40	20166
September 2019	4.28	3.50	14273
October 2019	3.80	3.28	12726
November 2019	3.55	2.80	26570
December 2019	4.45	3.50	16501
January 2020	4.02	3.04	9380
February 2020	3.00	2.75	6104
March 2020	3.00	2.71	843

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 2019	5.80	4.60	263445
May 2019	6.40	4.35	978327
June 2019	7.45	4.40	1671328
July 2019	5.55	3.90	143081
August 2019	4.20	2.90	153216
September 2019	4.40	3.25	72130
October 2019	3.80	2.80	143140
November 2019	4.20	3.30	64722
December 2019	4.80	3.60	133828
January 2020	4.10	3.25	86493
February 2020	3.50	2.70	78289
March 2020	3.65	2.65	65062

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 2020:

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		8452	69.724	16650250	4.428
5,001	10,000	1688	13.925	14840910	3.947
10,001	20,000	852	7.029	13919090	3.702
20,001	30,000	343	8.830	9094060	2.419
30,001	40,000	173	1.427	6350820	1.689
40,001	50,000	170	1.402	8198550	2.180
50,001	1,00,000	232	1.914	17306010	4.602
1,00,001 and above		212	1.749	289659150	77.033
Total		12122	100	37,60,18,840	100

x) De-materialization of shares and liquidity: As on 31st March, 2020 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) There are no Commodity Price Risk or Foreign Exchange Risk and hedging Activity.

xiii) 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

9. OTHER 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

No penalties, strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the year.

(c) Details of Whistle Blower Policy

The vigil mechanism has been established and the Whistle Blower Policy can be accessed on the Company website at www.magnumventures.in". Further no personnel have been denied access to the audit committee.

(d) The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 and following non-mandatory requirements are complied with:

- Company has appointed separate persons as Chairman and Managing Director.
- Internal Auditor may report directly to the Audit Committee.

(e) The company does not have any subsidiary.

Shareholders may reach for Company's policies and the Business information at www.magnumventures.in, which is regularly updated in order to meet the Corporate Governance requirement and for the benefit of shareholders / investors.

(f) The Company has obtained a Certificate from M/s Munish K Sharma & Associates, Company Secretaries, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. This Certificate is enclosed as **Annexure-A** of this Corporate Governance Report.

(g) The total fees paid to the statutory auditors of the Company for the financial year 2019-20 is Rs. 3,11,100/- (including Expenses).

DECLARATION ON COMPLIANCE WITH THE 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:

Pursuant to Regulation 26(3) of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 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 certified that the members of the Board and the Senior Management personnel have confirmed their compliance with the "Code of Conduct for Members of the Board and Senior Management".

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

No Complaint has been filed during the financial year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and No complaint is pending at end of the financial year.

**By the order of the Board of Directors
For Magnum Ventures Limited**

**Sd/
Pradeep Kumar Jain**
Managing Director
DIN: 00024879
Add: 113/3, Darya Ganj,
New Delhi - 110002

**Sd/-
Abhey Jain**
Whole -Time Director
DIN: 01876385
Add: 113/3-4, Ansari Road,
Darya Ganj, New Delhi -110002

Date: 16/10/2020
Place: Ghaziabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(As per clause C of Schedule V of the Securities Exchange Board of India
(Listing Obligations and Disclosure Requirement) Regulations, 2015
read with regulation 34(3) of the said Listing Regulations)*

To
The Members,
Magnum Ventures Limited
(CIN: L21093DL1980PLC010492)
Regd. Office: Office No. 205, 2nd Floor,
Building No. 4326, Street No. 3, Ansari Road,
Darya Ganj, Delhi - 110002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Magnum Ventures Limited (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ended 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924B001008064

Date: **16/10/2020**
Place: **Kaushambi, Ghaziabad**

CEO & CFO CERTIFICATION

I, Pardeep Kumar Jain, Managing Director and Mr. Parv Jain, Chief Financial Officer, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
2. 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.
3. 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.
4. We have indicated to the auditors and the Audit committee
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) 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
DIN: 00024879
Add: 113/3, Darya Ganj,
New Delhi - 110002

Sd/-
Parv Jain
Chief Financial Officer
PAN: AHLPJ7813J
Add: 4326/3, Ansari Road,
Darya Ganj, New Delhi -110002

Date: 28/08/2020

Place: Ghaziabad

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Magnum Ventures Limited
(CIN: L21093DL1980PLC010492)
Regd. Office: Office No. 205, 2nd Floor,
Building No. 4326, Street No. 3, Ansari Road,
Darya Ganj, Delhi – 110 002

We have examined the compliance of conditions of Corporate Governance by **Magnum Ventures Limited** ("the Company") for the year ended on 31st March, 2020 as stipulated in 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").

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 by the directors and the management, we certify that the Company has complied with the various conditions as specified in Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

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/-
CS Vijay Kumar Sharma
M. No.: F9924
C.P. No. 12387
UDIN: F009924B001008603

Date: **16/10/2020**
Place: **Kaushambi, Ghaziabad**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Magnum Ventures Limited
(CIN: L21093DL1980PLC010492)
Regd. Office: Office No. 205, 2nd Floor,
Building No. 4326, Street No. 3, Ansari Road,
Darya Ganj, Delhi – 110 002

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 our 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, 2020 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, 2020 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, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f) 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) Goods & Services Tax Act, 2017;
- (xvi) Income Tax Act, 1961;
- (xvii) The Maternity Benefit Act, 1961;
- (xviii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (xix) The Contract Labour (Regulation and Abolition) Act, 1970;
- (xx) The Payment of Bonus Act, 1965;
- (xxi) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- (xxii) The Boilers Act, 1923;
- (xxiii) The Uttar Pradesh Shops and Commercial Establishments Act, 1962;
- (xxiv) Food Safety and Standards Act, 2006;
- (xxv) The Water (Prevention & Control Of Pollution) Act, 1974;
- (xxvi) The Air (Prevention & Control Of Pollution) Act, 1981;
- (xxvii) Other Environmental Laws.

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 ("BSE") and National Stock Exchange ("NSE").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- 1. The limited review reports or audit reports submitted to the stock exchange(s) given by the auditor who has not subjected himself to the peer review process of Institute of Chartered Accountants of India and do not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.*
- 2. The Company has submitted the Annual Report along with the notice of the Annual General Meeting for the financial year 2018-19 to the stock exchange(s), later of the commencement of dispatch of aforesaid report to its shareholders.*
- 3. The Company has established Gratuity Fund for securing the payment of gratuity and obtained necessary approvals. However, sufficient amount was not transferred therein for the purpose of securing the payment of gratuity.*
- 4. The Company has delayed in filing of Form GSTR-1 for few months.*
- 5. The Company had defaulted in repayment of loans from Vijaya Bank amounting to Rs. 4,00,50,000/- and no agreement for reconstruction have been entered into, however the case in this regards is pending before Hon'ble Delhi High Court.*
- 6. The Company has delayed in the payment of wages to its employees for few months.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. 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. other than referred above.

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924B000630489

Date: **28/08/2020**

Place: **Kaushambi, Ghaziabad**

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)
Regd. Office: Office No. 205, 2nd Floor,
Building No. 4326, Street No. 3, Ansari Road,
Darya Ganj, Delhi – 110002

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.
7. Due to COVID - 19 situations, we were not able to verify the documents, details and information physically, therefore we rely on the information as provided by the management and the responsible officers of the Company through electronic mode.

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924B000630489

Date: 28th August, 2020
Place: Kaushambi, Ghaziabad

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 Lakh 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 contributes 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 Radisson**, 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 modernization 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 modernization and expansion so far, India's pulp and paper industry is well on its way to have a strong presence in Asia.

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:

Uncertainties have emerged with COVID-19 pandemic that caused the shutdown of the country for the first two months of the current financial year 2020-2021. With the number of cases increasing, it is expected that State Governments will resort to shutdowns to manage and control the spread. This will create uncertainty of supply-chain, travel restrictions, increased cost and cash flow will be adversely effected. First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries specially India is able to control the COVID 19 Pandemic.

Since your Company’s revenues are dependent on Paper & Hotel Industry, which have been effected badly due to COVID-19 pandemic and current situation is a cause of concern.

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.

OPPORTUNITIES:

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 eying 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 organization.

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 (2019-20)		Previous Year (2018-19)	
	Quantity (Kgs)	Value (Amt in Rs)	Quantity (Kgs)	Value (Amt in Rs)
Paper division	53288568	1,838,609,873	60777058	2,204,894,997
Hotel division	NA	567,964,061	NA	566,746,187

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios:-

Sl. No.	Particulars	Financial Year 2019-20	Financial Year 2018-19
1.	Inventory Turnover	10.414	9.682
2.	Interest Coverage Ratio	(1.717)	9.903
3.	Operating Profit Margin	(0.035)	1.153
4.	Net Profit Margin	(0.051)	(0.023)
5.	Return on Net Worth	(0.370)	(0.311)

For and on Behalf of the Board
Magnum Ventures Limited

Sd/-
Pradeep Kumar Jain
Managing Director
DIN: 00024879
Add: 113/3, Darya Ganj,
New Delhi - 110002

Sd/-
Abhey Jain
Whole -Time Director
DIN: 01876385
Add: 113/3-4, Ansari Road,
Darya Ganj, New Delhi -110002

Date: 16/10/2020
Place: Ghaziabad

AGGARWAL & RAMPAL

CHARTERED ACCOUNTANTS

2nd Floor, 19, Local Shopping complex,

Madangir, New Delhi-110062, INDIA

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Fax: +91-11- 41636506,

E-mail: vinay@aggarwalrampal.com

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INDEPENDENT AUDITOR'S REPORT

To the Members of **M/S MAGNUM VENTURES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **M/S MAGNUM VENTURES LIMITED** ("the Company"), which comprises of the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of Cash Flows for the year ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2020, and profit/loss and its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Qualified Opinion

We draw your attention to Point No. 23 to the Notes to Accounts annexed with the Financial Statements for the year ended March 31, 2020 where the company has decided not to provide for any provision in lieu of the impact of Covid 19 pandemic to its financial assets as per the annexed

Financial Statements in contravention to the guidelines/advisory on “Impact of Corona Virus on Financial Reporting and the Auditors Consideration” issued by The Institute of Chartered Accountants of India on March 27, 2020.

***Accordingly, we are unable to ascertain impact of the same on the Financial Statements.
Our opinion is not modified in respect of this matter.***

Emphasis of Matter

- a) *Refer Note No. 7 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020 wherein the total outstanding debtors for the year ended March 31, 2020 include Rs. 2657 lakhs which are due for more than six months and out of which debtors of Rs.59.64 lakhs are under litigations. The Company has not made any provision for debtors outstanding for more than six months.*
- b) *Refer Note No. 20 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020 stating that the company had started production of Kraft Paper in Financial Year 2017-18 although there are heavy losses in its production since inception, the company is expecting profits in upcoming years from the production of this product and in order to capture more market the production of the same is being continued.*
- c) *Refer Note No. 22 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020. During the year, godown of Paper Mill caught fire which led to loss amounting to Rs. 593 lakhs, although the stock was insured and loss claim was filed before the insurance company during the year but the claim is not finalized till date.*
- d) *Refer Note No. 23 under other notes in Notes to Accounts annexed with the financial statements for the year ended March 31, 2020. Due to Covid 19 outbreak lockdown was imposed across the country from March 22, 2020 and the business operations got suspended from the said date. The Company has started its operations of Paper division from July 24, 2020, however the hotel division stands closed till date until further directions/ guidelines issued by the State/ Central Government with regards to re-opening.*
- e) *Balance of Debtors & Creditors are subject to confirmation and reconciliation consequential effect (if any) on the financial statement remains unascertained.*

Information other than the financial statements and auditors’ report thereon

The Company’s board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 IND AS specified under section 133 of the Act.

This responsibility also includes 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 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 adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies

Act, 2013, we give in “**Annexure A**”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in Annexure A, 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) We have also audited the internal financial controls over financial reporting of the Company as on 31 March 2020 with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Refer to our separate Report in “**Annexure B**”.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in Note 24(B) to the standalone Financial Statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.

For Aggarwal & Rampal
Chartered Accountants
FR No. 003072N

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 20082045AAAAAB5458

Place: New Delhi
Date: July 30, 2020

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the **M/S MAGNUM VENTURES LIMITED** on the standalone financial statements for the year ended 31 March 2020, we report the following:

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

b) According to the information and explanations given to us, the fixed assets are physically verified by the management on annual basis which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As per information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us and on the basis of our examination of the records, the title deeds of the immovable properties are held in the name of the Company.
- 2) According to the information and explanations given to us, there is inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and as explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts.
- 3) 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.
- 4) 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 Companies Act 2013, with respect to the loans and investments made.
- 5) According to the information and explanation given to us, the company has not received advance from customers against supply of goods outstanding more than 365 days which is covered under the definition of deposits as per section 73 of Companies Act, 2013.
- 6) The Company has prepared and maintained cost records as prescribed by Central Government under sub section (1) of section 148 of the Companies Act 2013.
- 7) a) The company is generally regular in depositing undisputed statutory dues including applicable provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it. Further there are no undisputed amounts payable in respect thereof were outstanding at the year-end for a period more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax Income which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Assessment Year	Deposit (Under Protest)	Forum where dispute is pending
DEPB CASE	Redemption Case	2009-10	1023246(Plus Penalty)	Reply submitted to DRI (Directorate of Revenue Intelligence) Delhi order not yet passed.
Service Tax Law	SCN for Service Tax from Hotel	2010-11	16400749 (Plus Interest & Penalty)	Final order (order no. 71595/2018 dated Stay granted and awaited for hearing of appeal Tribunal Delhi

Contingent Liabilities in respect for EPCG Obligation

The Company availed EPCG Scheme for import of Assets and Total Export Obligation under EPCG is USD 111,02,849 out of which Export Obligation of USD 109,54,050.54 is already fulfilled and redemption request submitted to DGFT. Further Out of redemption request submitted to DGFT of USD 105,62,049; DGFT already issued redemption letters for USD 49,00,474.82 and balance redemption letters are expected soon.

The details of Contingent Liabilities for Balance Export obligation under EPCG is as under:

EPCG Authorization pending for redemption as on 01/04/2019	USD 419215.71
Less Export Earning in Foreign Currency till 31.03.2020	USD 270417.25
Balance Export Obligation till 31.03.2020	USD 148798.46

- 8) a) The company had defaulted in repayment of loans and borrowing from financial institutions and banks. The Company has entered into agreement with M/s Alchemist Assets Reconstruction Company Ltd. (AARC) regarding the repayment of the loans as the lender banks (i.e. that Oriental Bank of Commerce, Allahabad Bank, Punjab National Bank, Indian Overseas Bank and Syndicate Bank) have assigned their dues to M/s Alchemist Assets Reconstruction Company Ltd. (AARC). However there was no such default observed during current financial year (refer note no.15 to Other Notes in notes to accounts annexed with the Financial Statements).

b) The company had defaulted in repayment of loan from Vijaya Bank amounting to Rs. 4,00,50,000 and no agreement for reconstruction have been entered into, however the case in this regards is pending before Hon'ble Delhi High Court.

- 9) The company has not raised 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 purpose for which those were raised.

- 10) Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- 11) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for any managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- 13) 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 the provisions of section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanation given 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.
- 15) 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. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- 16) 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
FR No. 003072N

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 20082045AAAAAB5458

Place: New Delhi
Date: July 30, 2020

“ANNEXURE B” TO THE INDEPENDENT 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 **M/S MAGNUM VENTURES LIMITED**(“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended as at that date.

Responsibility of Management and Those Charged With Governance for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 for the Audit of the Internal Financial Controls

Our responsibility is to express an opinion on the Company’s internal financial controls over the 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 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 authorities 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 the 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 the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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.

For Aggarwal & Rampal
Chartered Accountants
FR No. 003072N

Sd/-
Vinay Aggrawal
(Partner)
Membership No: 082045
UDIN: 20082045AAAAAB5458

Place: New Delhi
Date: July 30, 2020

MAGNUM VENTURES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2020
CIN No. L21093DL1980PLC010492

PARTICULARS	Note No.	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
ASSETS			
<u>Non Current Assets</u>			
a) Property Plant and Equipment	1	2,040,888,185.53	2,081,390,463.42
b) Intangible Assets	2	891,019.92	-
c) Financial Assets			
Long-term loans and advances	3	16,453,742.00	20,942,275.00
Total Non-Current Asset		2,058,232,947.45	2,102,332,738.42
<u>Current assets</u>			
a) Financial Assets			
Trade receivables	4	514,773,894.19	564,420,061.82
Cash and cash equivalents	5	80,562,121.82	89,300,173.37
Short-term loans and advances	6	82,248,678.35	87,789,915.81
b) Inventories	7	167,080,413.43	319,265,270.45
c) Other Current Assets	8	8,128,278.06	1,707,009.63
Total Current Asset		852,793,385.85	1,062,482,431.09
TOTAL ASSETS		2,911,026,333.30	3,164,815,169.51
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
a) Share Capital	9	626,018,840.00	626,018,840.00
b) Other Equity (Reserves and surplus)	10	(955,092,270.88)	(833,316,835.97)
Total Equity		(329,073,430.88)	(207,297,995.97)
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Long-term borrowings	11	2,796,924,629.75	2,863,989,835.79
Long Term Provisions	12	45,323,162.00	38,099,952.00
Deferred Tax Liability		51,615,356.00	24,185,927.41
Total Non-Current Liabilities		2,893,863,147.75	2,926,275,715.20
<u>Current Liabilities</u>			
Trade Payable	13	214,461,590.30	239,091,441.29
Other Current Liabilities	14	103,533,268.14	180,808,651.98
Short Term Provisions	15	28,241,758.00	25,937,357.00
Total Current Liabilities		346,236,616.44	445,837,450.27
TOTAL EQUITY AND LIABILITIES		2,911,026,333.30	3,164,815,169.50

Significant Accounting Policies

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& Other Notes to Accounts

See accompanying notes to financial statements

For And On Behalf of the Board of Directors

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Vinay Aggarwal

Partner

Membership No: 082045

UDIN:

(Mr. Pradeep Kumar Jain)

Managing Director

DIN : 00024879

(Mr. Abhey Jain)

Whole Time Director

DIN: 01876385

(Mr. Parv Jain)

(Chief Financial Officer)

Mr. Mohit Kumar Goel

(Company Secretary)

M.No. A 44288

Place : New Delhi

Date: 30.07.2020

MAGNUM VENTURES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31st MARCH 2020

CIN No. L21093DL1980PLC010492

Particulars	Refer Note No.	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Revenue from operations (Net)	16	2410594082.40	2778736129.12
Other income	17	16392082.56	7879051.45
Total Revenue		2426986164.97	2786615180.57
Expenses			
Cost of Material Consumed	18	1576220501.51	2082577000.66
Change in Inventory of Finished Goods & W.I.P	19	115073759.53	(133314734.53)
Employee Benefit Expense	20	336941875.20	317917594.44
Finance Cost	21	4892365.49	3235862.47
Depreciation and amortization expense	22	155346345.75	151472053.00
Other Expenses	23	327401276.15	335918220.49
Total Expenses		2515876123.64	2757805996.53
Profit Before Tax and Extra-ordinary Items		(88889958.67)	28809184.04
Extra-ordinary Items			
Profit (Loss) on Sale of Assets		(109742.65)	340368.81
Loss of Stock Due to Fire		(5346305.00)	0.00
Provision for Doubtful Debt written back		0.00	0.00
Provision for Notional Interest written back		0.00	0.00
Prior Period Expenses		0.00	0.00
Profit Before Tax and after Extra-ordinary Items		(94346006.32)	29149552.85
Tax expense:			
Current tax		0.00	5608374.00
Deferred tax		27429428.59	24185927.41
Profit After Tax for the Period		(121775434.90)	(644748.56)
Earnings per equity share:			
(1) Basic		(3.24)	(0.02)
(2) Diluted		(3.24)	(0.02)
Significant Accounting Policies & Other Notes to Accounts	24		
See accompanying notes to financial statements			
For: Aggarwal & Rampal Chartered Accountants F.R. No 003072N Vinay Aggarwal Partner Membership No: 082045 UDIN: (Mr. Pradeep Kumar Jain) Managing Director DIN : 00024879 (Mr. Parv Jain) (Chief Financial Officer) (Mr. Abhey Jain) Whole Time Director DIN: 01876385 Mr. Mohit Kumar Goel (Company Secretary) M.No. A 44288 Place : New Delhi Date: 30.07.2020			

MAGNUM VENTURES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020
CIN No. L21093DL1980PLC010492

		Amount in INR (Rs.)	
PARTICULARS	As at 31.03.2020	As at 31.03.2019	
CASH FLOW FROM OPERATIONS			
A) Profit before Taxation	(88,889,959)		28,809,184
B) Adjustments			
ADD			
i Depreciation	155346346	151,472,053	
ii Interest expenses	1870930	3,235,862	
iii Provision for Gratuity	7044700	5,349,917	
iv Provision for leave Encashment	346079	925,209	
v Provisions for Bonus	(243298)	(88,264)	
vi Provision for Income Tax	0	5,608,374	
vii Other Provisions	2380130	581,914	
Less			
Interest income	1,510,019	900,224	
	165,234,868		166,184,841
	76,344,909		194,994,025
Operating profit before working capital changes			
C) (Increase)/ Decrease in Current Assets			
i Inventories	152,184,857	(64,403,596)	
ii Sundry Debtors	49,646,168	76,967,661	
iii loans & advances & other Current Assets	3,608,502	(36,401,179)	
Increase / (Decrease) in Current Liabilities			
i Sundry Creditors	(24,629,851)	(27,682,926)	
ii Advance from Customers	(13,733,112)	61,082,169	
iii Expenses Payable	(10,131,026)	6,064,231	
iv other liability	(53,411,246)	(99,355,850)	
	103,534,292		(83,729,490)
Cash generated from operations	179,879,201		111,264,535
Income tax & FBT	0	(5,608,374)	
	0.00		(5,608,374)
Effect of Extra Ordinary item	(5,346,305)		
NET CASH FROM OPERATIONS	174,532,896		105,656,161
INVESTING ACTIVITIES			
i Additions to Capital work in progress	0	0	
ii Additions to fixed assets (Net of Sales)	(115,844,830)	(168,734,658)	
iii Increase in investment	0	0	
iv Interest Income	1,510,019	900,224	
NET CASH FROM INVESTING ACTIVITIES	(114,334,811)		(167,834,434)
FINANCING ACTIVITIES			
i Issue of Shares	0	0	
ii Increase in Share Premium	0	0	
iii Decrease in Investments	0	0	
iv Borrowings	(67,065,206)	88,483,147	
v Interest Paid/Payable	(1,870,930)	(3,235,862)	
NET CASH FROM FINANCING ACTIVITIES	(68,936,136)		85,247,285
Net Change in cash and cash equivalents (A+ B + C)	(8,738,052)		23,069,012
Cash and cash equivalents at the beginning of the period (See Note-3)	89,300,173		66,231,161
Cash and cash equivalents at the end of the period (See Note-3)	80,562,122		89,300,173
Notes :-			
1)The above Cash Flow Statements has been prepared under the Indirect Method as set out in Ind As -7(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 31.03.2020		As at 31.03.2019
Cash in hand	879,453		1,845,545
FDR with the Bank	67,634,421		48,455,225
Balance with scheduled banks in current accounts	12,048,248		38,999,403
Total	80,562,122		89,300,173
As Per Our Report Attached Aggarwal & Rampal Chartered Accountants F.R. No 003072N Vinay Aggarwal Partner Membership No: 082045 Place : New Delhi Date: 30.07.2020			
For And On Behalf of the Board of Directors (Mr. Pradeep Kumar Jain) Managing Director DIN : 00024879 (Mr. Parv Jain) (Chief Financial Officer)			
(Mr. Abhey Jain) Whole Time Director DIN: 01876385 Mr. Mohit Kumar Goel (Company Secretary) M.No. A 44288			

MAGNUM VENTURES LIMITED

Note 1

<u>Property Plant and Equipments</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Land	180,866,209.86	180,866,209.86
Building & Site	658,676,576.59	691,142,235.59
Computer	521,843.91	1,309,802.86
Furniture & Fixture	50,236,398.04	53,826,421.60
Plant & Machinery	1,072,207,862.65	1,048,483,448.79
Vehicles	5,326,862.20	7,598,960.53
Electric Installation	21,383,916.03	21,885,903.75
Generator	3,706,303.62	4,500,871.80
Office Equipment	2,093,728.15	3,125,716.14
Fire Fighting Equipment	3,037,956.00	667,855.00
Deinking Plant	13,329,623.80	21,580,648.80
Turbine	29,500,904.69	46,402,388.69
Total	2,040,888,185.53	2,081,390,463.42

Note 2

<u>Intangible Assets</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Softwares	891,019.92	-
Total	891,019.92	-

Note 3

<u>Long Term Loans & Advances</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Security Deposit (Unsecured, Considered good)	16,453,742.00	20,942,275.00
Total	16,453,742.00	20,942,275.00

Note 4

<u>Trade Receivables</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Trade Receivable outstanding for a period exceeding six months from the date Unsecured considered good	265,705,352.48	314,050,064.82
Trade Receivable outstanding for a period less than six months from the date they are due for payment Unsecured considered good	249,068,541.71	250,369,997.00
Total	514,773,894.19	564,420,061.82

Note 5

<u>Cash & Cash Equivalents</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Balance with scheduled banks in current accounts	12,048,247.91	38,999,403.50
Cash on hand	879,452.91	1,845,544.87
Fixed Deposits with Banks & Others	67,634,421.00	48,455,225.00
Total	80,562,121.82	89,300,173.37

Note 6

<u>Short Term Loan & Advances</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Others		
Unsecured, Considered good		
Advance with Government Authorities and Others	7,356,431.15	21,414,217.37
GST cash ledger balance	-	1,378.00
Other Receivables	373,504.48	-
GST input available	8,542,596.28	28,159,122.36
GST receivables (Reversal of ITC for non payment to creditors)	-	1,038,514.00
Labour, Staff Advance & Imprest	823,104.00	485,021.00
Advance to Supplier for Capital Goods & Others	65,153,042.44	36,691,663.08
Total	82,248,678.35	87,789,915.81

Note 7

<u>Inventories</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
(As Valued & Certified by the Management)		
Raw Material	35,385,961.00	75,345,049.22
Work-In-Progress	4,291,954.00	3,204,216.53
Finished Goods	37,779,580.00	153,941,077.00
Chemicals	14,310,128.00	20,133,950.68
Stores & Consumables	28,720,482.00	26,400,990.77
Hotel Stock	4,424,814.43	28,959,705.04
Fuel	42,167,494.00	11,280,281.21
Total	167,080,413.43	319,265,270.45

Note 8

<u>Other Current Assets</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Prepaid Expenses	1,571,144.91	1,707,009.63
TCS Receivable	474,459.51	
TDS Receivable	4,057,343.64	
Interest Receivable on FDR	2,025,330.00	-
Branch / Divisions	-	-
Total	8,128,278.06	1,707,009.63

Note 9

Share Capital	For the Year ended as on 31.03.2020		For the Year ended as on 31.03.2019
	Number	Rs.	Number
Authorised			
Equity Shares of Rs.10 each	39,000,000.00	390,000,000.00	39,000,000.00
Preference Shares of Rs. 100 each	3,000,000.00	300,000,000.00	3,000,000.00
Issued , Subscribed & Paid up			
Equity Shares of Rs.10 each fully Paid-up	37,601,884.00	376,018,840.00	37,601,884.00
Preference Shares of Rs. 100 each fully Paid-up	2,500,000.00	250,000,000.00	2,500,000.00
Total		626,018,840.00	

equity shares of the Company rank pari-passu in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Redeemable, Non convertible and Non-Cumulative Preference Shares of Face value of Rs. 100/- on such terms and conditions including but not limited as to the rate of dividend, period and manner of redemption as the Board in its absolute discretion may determine for the purpose of augmenting the long term resource base of the company.

Reconciliation of Number of Equity Shares Outstanding

Particulars	AS AT 31.03.2020		AS AT 31.03.2019
	Number	Amount	Number
Shares outstanding at the beginning of the year	37,601,884.00	376,018,840.00	37,601,884.00
Shares Issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	37,601,884.00	376,018,840.00	37,601,884.00

Reconciliation of Number of Preference Shares Outstanding

Particulars	AS AT 31.03.2020		AS AT 31.03.2019
	Number	Amount	Number
Shares outstanding at the beginning of the year	2,500,000.00	250,000,000.00	2,500,000.00
Shares Issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	2,500,000.00	250,000,000.00	2,500,000.00

Shares held by shareholders holding more than 5% shares

Name of Shareholder	AS AT 31.03.2020		AS AT 31.03.2019
	No. of Shares held	% of Holding	No. of Shares held
Praveen Kumar Jain (Equity Shares)	16,648,510.00	44.28	16,648,510.00
Praveen Kumar Jain (Preference Shares)	2,500,000.00	100.00	2,500,000.00

Note 10

<u>Reserves & Surplus</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
A. Securities Premium		
Opening Balance	385,253,799.53	385,253,799.53
Closing Balance	385,253,799.53	385,253,799.53
B. General Reserve		
Opening Balance	1,528,067.07	1,528,067.07
Closing Balance	1,528,067.07	1,528,067.07
C. Surplus		
Opening balance	-1,220,098,702.60	-1,219,453,954.04
Effect due to application of Schedule II	-	-
(+/-) Profit/(Loss) During the Year	-121,775,434.90	-644,748.56
Closing Balance	-1,341,874,137.50	-1,220,098,702.60
Total	-955,092,270.90	-833,316,836.00

Note 11

<u>Long Term Borrowings</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
<u>SECURED</u>		
<u>From Banks/ARC</u>		
Vijaya Bank	237,961,486.00	237,961,486.00
Alchemist Assets Reconstruction Company Limited	2,445,419,816.53	2,530,604,986.57
Unsecured Loans From Related Parties & Others	113,543,327.22	95,423,363.22
Vehicle Loans	-	-
Total	2,796,924,629.75	2,863,989,835.79
TERM LOANS		
Primary : Secured by First Charge on Present/Future Blocks assets of Hotel division ranking pari-passu with lenders		
Collateral : Secured by way of Second Charge on entire current assets (present & future) of the company on pari-passu basis		
Working Capital Limit		
Primary: Secured by First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables &		
Collateral : Secured by way of Second Charge on entire fixed assets (present & future) of the company on pari-passu basis		
Oriental Bank of Commerce (Lead Bank), Punjab National Bank, Indian Overseas Bank and Allahabad Bank assigned their debts to M/s Alchemist Assets Reconstruction Company Limited. Hence the Balance of Working Capital Limits of these banks has been merged with the Term Loan Balance.		

Note 12

<u>Long Term Provisions</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
<u>Provision for Employee benefits</u>		
Provision for Gratuity	35,403,038.00	28,502,193.00
Provision for Leave Encashment	9,920,124.00	9,597,759.00
Total	45,323,162.00	38,099,952.00

Note 13

<u>Trade Payable</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Trade Payable within Normal Operating Cycle	214,461,590.30	239,091,441.29
Total	214,461,590.30	239,091,441.29

Note 14

<u>Other Current Liabilities</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Vehicle Loans	-	-
AARC - Installment due within 12 Months	-	-
Other Payables	18,762,988.46	28,894,014.77
Gst payables	8,610,370.50	27,501,332.00
Deposits	70,000.00	-
Cheque deposited but not cleared or issued but not presented to bank(Net)	28,527,880.00	63,118,164.00
Advances from Customers	47,562,029.18	61,295,141.21
Total	103,533,268.14	180,808,651.98

Note 15

<u>Short Term Provisions</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
<u>Provision</u>		
Provision for Gratuity	3,849,289.00	3,705,434.00
Provision for Leave Encashment	1,206,745.00	1,183,031.00
Provision for Income Tax	7,412,965.00	7,412,965.00
Bonus payable	7,520,255.00	7,763,553.00
Other Provisions	8,252,504.00	5,872,374.00
Total	28,241,758.00	25,937,357.00

Note 16

Revenue From Operation	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Gross Revenue	2,406,573,934.06	2,761,490,138.81
Less : Excise Duty	-	-
Net Revenue from Operations	2,406,573,934.06	2,761,490,138.81
Other Operating Revenue	4,020,148.34	17,245,990.31
Less : Excise Duty	-	-
Net Other Operating Revenue	4,020,148.34	17,245,990.31
Total	2,410,594,082.40	2,778,736,129.12

Note 17

Other Incomes	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Interest recd on FDR	1,510,019.00	900,224.00
Interest accrued on Security Deposit (EEUDD)	487,500.00	526,500.00
Interest on Income Tax Refund	-	-
Rental Charges	400,000.00	-
Foreign Exchange Gain	3,098,591.87	4,340,585.97
Remission of Trade Liability (W/o)	-	2,115,174.00
Decrease in Leave Encashment	434,634.00	-
Misc Income and Short & Excess	10,461,337.69	-3,432.52
Total	16,392,082.56	7,879,051.45

Note 18

Cost of Material Consumed	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Raw Material Consumed	859,816,051.81	1,238,544,025.96
Power & Fuel Consumed	360,307,984.09	495,398,018.49
Chemicals	139,563,469.25	138,021,937.58
Stores & Consumables	216,532,996.36	210,613,018.63
Total	1,576,220,501.51	2,082,577,000.66

Note 19

Changes in Inventory of Finished Goods & Work In Progress	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Changes in Inventory of Finished Goods	116,161,497.00	-132,604,403.00
Changes in Inventory of Work in Progress	-1,087,737.47	-710,331.53
Total	115,073,759.53	-133,314,734.53

Note 20

Employee Benefit Expense	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Director's Remuneration	1,600,000.00	890,000.00
Salary to Staff	181,312,445.20	165,573,674.44
Wages	113,539,013.00	111,112,484.00
Bonus	7,523,077.00	7,599,447.00
Gratuity	9,909,095.00	7,113,398.00
Leave Encashment	2,183,295.00	2,690,566.00
Contribution to ESI	5,351,001.00	6,804,877.00
Contribution to EPF	15,338,316.00	11,778,371.00
Staff Welfare	185,633.00	4,354,777.00
Total	336,941,875.20	317,917,594.44

Note 21

Finance Cost	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Interest on Term Loan	-	133,688.49
Interest (others)	1,870,930.00	220,000.00
Bank Charges	3,021,435.49	2,882,173.98
Total	4,892,365.49	3,235,862.47

Note 22

Depreciation & Amortisation Expense	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Depreciation on Tangible Assets	155,215,159.75	151,428,629.00
Amortisation of InTangible Assets	131,186.00	43,424.00
Total	155,346,345.75	151,472,053.00

<u>Other Expenses</u>	For the Year ended as on 31.03.2020	For the Year ended as on 31.03.2019
Advertisement Expenses	3,568,814.80	3,114,661.32
Auditor Remuneration (Including Expenses)	311,100.00	188,950.00
Banquet and Decoration Expense	17,807,482.47	76,000.00
Car expenses	1,471,218.00	71,967,946.13
Cartage expenses	12,750.00	
Charity & Donation	26,000.00	
Cleaning supplies	15,319,903.20	
Commission	58,356,026.92	65,943,140.50
Conveyance Expense	140,852.00	
Disposal of kachra	3,300,000.00	-
Electricity	52,943,425.50	1,269,196.11
EMD Forfeit A/c	1,487,488.60	106,820.00
Entry tax	932,957.64	40,219,844.23
Fees & Subscription (Including Detention/Handling Charges)	6,816,978.02	
Fine and Penalty	124,090.81	1,185,818.28
Foreign Exchange Loss	211,633.28	-
Freight	35,813,919.32	9,771,778.92
Green Tax, Tax & Interest	1,093,476.00	
Guest Supplies Expense	8,055,592.26	15,582,986.41
Inland Haulage	-	
Insurance Charges	1,925,135.45	178,990.63
Internet, Computer & Telephone	2,766,825.30	
Interest on TDS	3,565.00	
Interest on RCM 17-18	74,781.34	
Kitchen Equipment & Fuel Expense	4,924,082.33	
Labour Supply charges	673,304.00	
Laundry & Cleaning Expenses	3,673,148.91	189,169.31
Legal & Professional	17,141,937.00	153,226.00
License fees	7,318,235.00	4,020,388.26
Loading & Unloading expenses	250.00	7,607,859.00
Medical expenses	770,501.13	1,221,065.16
Miscellaneous & General (Including Short & Excess)	13,050,474.22	16,332,373.20
Ocean Freight	380,908.00	45,972,608.50
Office expenses	160,339.83	100,025.00
Other hotel expenses	1,487,854.55	-
Upholstery and other expenses	3,521,284.22	461,112.00
Penalty under custom law	-	540,000.00
Photocopy Expense	168,000.00	2,848,077.15
Postage	220,632.31	2,493,287.64
Printing & Stationery	3,778,810.40	244,123.00
Rates & taxes	1,386,185.00	2,740.00
Rebate, Discount & Written off	666,626.00	4,334,021.42
Rent, Hire, Storage Charges	5,048,960.50	774,431.56
Repair & Maintenance Plant & Machinery & Others	29,522,799.27	-
Royalty Expenses	3,129,095.00	-
Sales Promotion	1,710,995.00	1,059,316.71
Sales Tax expenses (15-16)	251,500.00	1,500,000.00
Tax and Cess Expense	3,064,706.19	-
Share Listing Fees	540,000.00	4,231,437.71
TDS Demand (Including Interest)	-	6,097,397.32
Travelling Expenses	1,490,768.55	-
Vehicle Expense	1,215,775.83	-
Waste Paper unloading expenses	8,961,648.00	14,812,126.92
Water Expense (Including Cess)	578,439.00	11,317,302.10
Total	327,401,276.15	335,918,220.49

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NOTE- 24

(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 31 years. The existing manufacturing activities cover Newspaper, printing paper, grey and duplex boards

The Company also owns a Hotel named “Country Inn & Suits by Carlson” with Carlson group. However the name of hotel got Changed to Country inn & Suits by Radisson with effect from 17th day of January, 2018.

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 Ind-AS 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 recognizes significant items of income and expenditure on accrual basis.
- d) The company is complying with the Indian Accounting-Standards (Ind-AS) issued by the ICAI, as per the requirements of the Companies Act, 2013.

3. FIXED ASSETS AND DEPRECIATION

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

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

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- 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.

4. 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.

5. 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 IND AS-2 issued by I.C.A.I.

6. REVENUE RECOGNITION

a) **Sales**

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

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 GST.

7. EXCISE DUTY/GST

Liabilities for GST occur and accounted for as when the materials get dispatched.

8. IMPAIRMENT OF ASSETS

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

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

9. TAXATION

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

10. EARNING PER SHARE

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

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

11. PROVISION AND CONTINGENCIES

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

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best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in profit & loss account but are disclosed in Notes to the Accounts.

12. 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.

13. 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 Ind-AS 19 'Employee Benefits' on the basis of Actuarial Valuation report for the year ended 31-03-2020 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:

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Gratuity

Particular	As at 31-03-20	As at 31-03-19
a) Economic Assumption		
Discounted Rate	7.00%	7.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	PAPER 5.25% HOTEL 6.50%	PAPER 5.25% HOTEL 6.50%
b) Demographic Assumptions		
Normal Retirement Age *	PAPER 58 years HOTEL 58 Years	
Mortality Table	Indian Assured Lives (2012-14)	
Withdrawal Rate (in %)	PAPER Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 60 Years 1.0 HOTEL Up to 30 Years-5.0 Up to 44 Years-3.0 Up to 58 Years 2.0	
Present value of obligation as on 31-03-2020	Paper Division Rs. 20482602/- Hotel Division Rs. 18769725/-	

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Leave Encashment

Particular	As at 31-03-20	As at 31-03-19
a) Economic Assumption		
Discounted Rate	7.00%	7.75%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Rate of increase in Compensation levels	PAPER 5.25% HOTEL 6.50%	PAPER 5.25% HOTEL 6.50%
b) Demographic Assumptions		
Normal Retirement Age *	PAPER 58 years HOTEL 58 Years	
Mortality Table	Indian Assured Lives (2012-14)	
Withdrawal Rate (in %)	PAPER Up to 30 Years-3.0 Up to 44 Years-2.0 Up to 60 Years 1.0 HOTEL Up to 30 Years-5.0 Up to 44 Years-3.0 Up to 58 Years 2.0	
Present value of obligation as on 31-03-2020	Paper Division Rs. 2665633/- Hotel Division Rs. 8461236/-	

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

Particulars	Paper div	Hotel Div
Assumption		
Discount rate	7.00%	7.75%
Future Salary Increase	5.25%	6.50%
Table showing change in benefit Obligation		
Present value of obligation as at the beginning of the period	1,70,88,736	1,51,18,891
Interest cost	11,96,212	10,58,322
Past service cost	-	-
Current service cost	34,52,955	33,72,195
Benefits paid	(20,25,208)	(8,39,187)
Actuarial (gain)/loss on obligation	7,69,907	59,504
Present value of obligation as at the end of period	2,04,82,602	1,87,69,725

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	-	-

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Actuarial Return on Plan Assets	-	-
Amount recognized in the balance sheet		
Liability at the end of the year	2,04,82,602	1,87,69,725
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	(2,04,82,602)	(1,87,69,725)
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net (asset)/liability recognized in balance sheet	(2,04,82,602)	(1,87,69,725)
Expenses recognized in the income statement		
Current service cost	34,52,955	33,72,195
Interest cost	11,96,212	10,58,322
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	7,69,907	59,504
Expenses recognized in the statement of profit & losses	54,19,074	44,90,021
Movement in the liability		
Recognized in the Balance sheet		
Opening net liability	1,70,88,736	1,51,18,891
Expenses as above	54,19,074	44,90,021
Benefits paid	(20,25,208)	(8,39,187)
Closing net Liability	2,04,82,602	1,87,69,725

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<u>Leave Encashment</u>		
Particulars	Paper Div	Hotel Div
Assumption		
Discount rate	7.00%	7.00%
Future Salary Increase	5.25%	6.50%
Table showing change in benefit Obligation		
Present value of obligation as at the beginning of the period	37,39,368	70,41,422
Interest cost	2,61,756	4,92,900
Past service cost	-	-
Current service cost	7,31,101	24,93,020
Benefits paid	(6,39,101)	7,63,481
Actuarial (gain)/loss on obligation	(14,27,491)	(8,02,625)
Present value of obligation as at the end of period	26,65,633	84,61,236
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	-	-

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Actuarial (gain)/loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
Amount recognized in the balance sheet		
Liability at the end of the year	26,65,633	84,61,236
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	(26,65,633)	84,61,236
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in balance sheet	(26,65,633)	(84,61,236)
Expenses recognized in the income statement		
Current service cost	7,31,101	24,93,020
Interest cost	2,61,756	4,92,900
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	(14,27,491)	(8,02,625)
Expenses recognized in the statement of profit & losses	(4,34,634)	21,83,295
Movement in the liability		
Recognized in the Balance sheet		
Opening net liability	37,39,368	70,41,422
Expenses as above	(4,34,634)	21,83,295
Benefits paid	(6,39,101)	(7,63,481)
Closing net Liability	26,65,633	84,61,236

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(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
DEPB Case	Redemption Case	1023246/-(Plus Penalty)	2009-10	Reply submitted to DRI (Directorate of Revenue intelligence) Delhi order not yet passed
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 Tribunal Delhi

2. Contingent Liabilities in respect for EPCG Obligation

The Company availed EPCG Scheme for import of Assets and Total Export Obligation under EPCG is USD 11102849 out of which Export Obligation of USD 10954050.54 is already fulfilled. Further redemption request submitted to DGFT of USD 10562049, DGFT already issued redemption letters for USD 4900474.82 and balance redemptions letters is expected soon.

The details of Contingent Liabilities for Balance Export obligation under EPCG is as under:

EPCG Authorization pending for redemption# as on 01/04/2019	USD 419215.71
Less Export Earning in Foreign Currency till 31.03.2020	USD 270417.25
Balance Export Obligation till 31.03.2020	USD 148798.46

3. REMUNERATION PAID TO AUDITORS:

Particular	Current Year	Last Year
As Statutory Auditors	2,50,000/- GST 45,000/-	1,25,000/- GST 22,500/-
Tax Audit Fees	50,000/- GST 9,000/-	50,000/- GST 9,000/-
In other matter	-	-

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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. Remuneration paid to the Directors of the company is as under:

Particular	Current Year	Last Year
Mr. Pradeep Kumar Jain	8,00,000	2,40,000
Mr. Parmod Jain	-	-
Mr. Abhey Jain	8,00,000	6,50,000
Mr. S. P. Chaturvedi	7,34,400	7,04,400

6. INCREASE IN AUTHORISED CAPITAL

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

7. TRADE RECEIVABLES

Out of the total trade receivables of Rs. 5147.74 lakhs, trade receivables amounting to Rs. 2657.05 lakhs are for more than six months and out of which Rs 59.64 lakhs are under litigation.

8. 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	51262	64426

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

PAPER DIVISION

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S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	4322350	673222	152418792	21336674
(b)	Closing Stock	1181524	4322350	38133939	152418792
(c)	Sale (Including Captive use)	53288568	60777058	1838609873	2204894997

Quantity of 1114618.00 Kgs Finished Goods lost due to fire in 18/31 godown

HOTEL DIVISION

S. No	Particular	Qty(Kgs)		Amount In Rs.	
		Current Year	Last Year	Current Year	Last Year
(a)	Opening Stock	NA	NA	28959705	37148577
(b)	Closing Stock	NA	NA	4424814	28959705
(c)	Sale	NA	NA	567964061	566746187

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	69270567	90853277	859816052	1238544027
(b)	Chemical	-	-	139563468	138021938
(c)	Stores	-	-	60153882	70305078

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(d)	Power & Fuel	-	-	360307981	495398018
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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	499997605	492355581	58.15	39.75
Indigenous Raw Material	359818447	746188446	41.85	60.25
Imported Stores & Chemical	36378045	35298049	18.21	16.94
Indigenous Stores & Chemical	163339305	173028967	81.79	83.06

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	626152192	569012065
Chemical & Consumable Spare Parts & Machines	26497738	92514396

HOTEL DIVISION

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

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b) EXPENSES INCURRED IN FOREIGN CURRENCY:

Particular	Current Year (Rs)	Last Year (Rs)
Paper Division	Nil	Nil
Hotel Division	1406602/- (\$19571.47)	3838562/- (\$55501.88)

c) EARNING IN FOREIGN EXCHANGE CURRENCY:

Particular	Current Year		Last Year	
	Rs.	FC	Rs.	FC
Paper Division	19414248.70	USD270417.25	30897472/-	USD440405.62
Hotel Division	11916089.00	USD170585.00	26307380/-	USD 384302.30

9. RELATED PARTY TRANSACTION DISCLOSURE:

The related parties, as defined by Ind-AS 24 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, in respect of which disclosure have been made, have been identified on the basis of disclosure made by the managerial persons and taken on record by the board.

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

Disclosure of transactions with related parties as required by IND AS 24 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 31.03.2020	113543327	-
2	Unsecured loan from Directors		

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	Mr. Abhey Jain	5540500	-
	Mr. Praveen Kumar Jain	102462327	-
	Mr. Pradeep Kumar Jain	5540500	-
3	Remuneration of Directors		
	Mr. Pradeep Kumar Jain	800000	-
	Mr. Abhey Jain	800000	
	Mr. S. P. Chaturvedi	734400	
4	Remuneration of Company Secretary		
	Mohit Kumar Goel	478000	-
5	Interest on Unsecured Loan		
	Abhey Jain	540000	-
	Pradeep Jain	540000	-
6	Salary to Other Key Management Personnel & Relatives		
	Mr. Rishabh Jain	-	1500000
	Mr. Ritesh Jain	-	1500000
	Mrs. Shashi Jain	-	120000
	Mr. Parv Jain	1680000	
	Mr. Shrenik Jain	-	1620000
	Mr. Ujjwal Jain	-	1250000
	Mrs. Rita Jain	-	1500000
	Mrs. Veena Jain	-	1800000
	Mrs. Mehak Jain	-	600000
	Mrs. Asha Jain	-	1250000
	Mrs. Parul Jain	-	1200000
	Mr. Paras Jain	-	1620000

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	Mrs. Parul Jain	-	430000
	Mrs. Meenal Jain	-	1500000
	Mr. Akhil Jain	-	478000
	Mrs. Monika Jain	-	1500000
	Mrs. Saroj Jain		550000
7	Professional Consultancy		
	Mr.Salek Chand Jain	-	1200000
	Mr.Vinod Kumar Jain	-	1000000
	Mr.Pramod Jain	1600000	
8	Purchase from Johri Mal Kamal Kishore	-	1093429

Note: One of The Director (Mr. Praveen Kumar Jain) has given Interest Free Unsecured Loan to the Company.

Names of the related parties and descriptions of relationships

S.No	Relation	Name of the Person
1	Key Management Personnel	Mr. Pradeep Kumar Jain Mr. Praveen Kumar Jain Mr. Parmod Kumar Jain Mr. Abhey Jain Mr. Subhash Chand Oswal Mr. S. P. Chaturvedi Ms. Mohit Kumar Goel Company Secretary Mr. Parv Jain Ms. Jyoti

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		Mr. KrishanGopal Sharma
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.Ujjwal Jain Mr. Shrenik Jain Mr. Paras Jain Daughter in law of Director Mrs. Meenal Jain Mrs. Mahek Jain Mrs. Parul 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)

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		M/S Pramod Kumar Jain (HUF) M/S Pradeep Kumar Jain (HUF) M/S Abhay Jain (HUF) Sister of Director MrsSaroj Jain Firm of Brother in Law of Director Johri Mal Kamal Kishore
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10. 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.

11. DEFERRED TAX LIABILITY:

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.

12. IMPAIRMENT OF ASSETS

In accordance with IND AS 36 'Impairment of Assets' issued by Institute of Chartered Accountants of India, 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.

13. 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 IND AS – 108 'Accounting for Segment Reporting' issued by Institute of Chartered Accountants of India.

Primary –

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

MAGNUM VENTURES LIMITED
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Paper Division	Hotel Division	Total
Segment wise Revenue			
External Revenue 2020	1838609872.67	567964061.39	2406573934.06
2019	2204894997.10	556595141.71	2761490138.81
Segment wise Results <i>before extra-ordinary Items</i>			
Segment Result 2020	(-) 50312942.05	(-)38577016.62	(-)88889958.67
2019	35090103.39	(-)6280919.35	28809184.04
Segment wise Results <i>after extra-ordinary Items</i>			
Segment Result 2020	(-)55768989.70	(-)38577016.62	(-)94346006.32
2019	35430472	(-)6280919.35	29149552.85
Segment wise Assets			
2020	2870724465.55	40301867.75	2896583784.12
2019	2997532976.93	76662696.57	3074195673.50
Segment wise Liabilities <i>excluding Bank Borrowings and Long term Unsecured Loan</i>			
2020	322437309.75	120737824.69	649629533.54
2019	269187895.38	118521636.89	387709532.27

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Fixed Assets Addition			
2020	112756718.89	6124343.77	118881062.66
2019	165207535.53	9715793.35	174923328.88
Depreciation 2020	92359808.18	62986537.57	155346345.75
2019	88265688.00	63206365.00	151472053.39

Geographical Segment

No Geographical segment reporting is required as per the IND AS 108 issued by the Institute of Chartered Accountants of India.

- 14.** The Lenders of the Company (as mentioned in **Annexure A**) have assigned all the rights, title and interests in the entire outstanding dues owed by the Company in favour of M/s Alchemist Asset Reconstruction Company Limited (AARC) together with all the underlying securities and guarantees, in favour of AARC vide Assignment Agreements (as mentioned in **Annexure A**). Accordingly, AARC has become the secured lender and all the rights, title and interests of Assignors have vested in AARC in respect of the above financial assistances.

Annexure A

(Rs. In Lacs)

S.No.	Name of the Lenders	Amount O/s	Assignment Agreement Date
1	Oriental Bank of Commerce	5221.49	28-12-2015
2	Allahabad Bank	2510.19	30-12-2015
3	Punjab National Bank	8668.75	30-12-2016
4	Indian Overseas Bank	3272.62	30-03-2017
5	Syndicate Bank	6865.36	26-09-2017

- 15.** The Company requested M/s Alchemist Asset Reconstruction Company Limited (AARC) for restructuring of the debts and AARC sanctioned the re-structuring proposal on 31.03.2018. The repayment schedule of debts and terms & conditions of restructuring is mentioned below:

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SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
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ANNEXURE B: REPAYMENT SCHEDULE AS PER RESTRUCTURING PROPOSAL						
Sr. No.	Timeline	Oriental Bank of Commerce (Amt)	Allahabad Bank (Amt)	Punjab National Bank (Amt)	Indian Overseas Bank (Amt)	Syndicate Bank (Amt)
1	On or Before 30 Sep 2018	11101000	5090000	7615000	2478000	7080000
2	On or Before 31 Mar 2019	11101000	5049000	7615000	2478000	7080000
3	On or Before 30 Sep 2019	19281000	8466000	21955000	7728000	7080000
4	On or Before 31 Mar 2020	19135000	8384000	21765000	7667000	22080000
5	On or Before 30 Sep 2020	27241000	11760000	50260000	17516000	21903000
6	On or Before 31 Mar 2021	27022000	11638000	49683000	17377000	21726000
7	On or Before 30 Sep 2021	35055000	14973000	49112000	17237000	36549000
8	On or Before 31 Mar 2022	34763000	14810000	48541000	17098000	36195000
9	On or Before 30 Sep 2022	34471000	14646000	47970000	16959000	35841000
10	On or Before 31 Mar 2023	34179000	14483000	47399000	16819000	35487000
11	On or Before 30 Sep 2023	50392000	21235000	61168000	21930000	50133000
12	On or Before 31 Mar 2024	0	0	60406000	21744000	49602000
13	On or Before 30 Sep 2024	0	0	88325000	32058000	64071000
14	On or Before 31 Mar 2025	0	0	0		63363000
TOTAL AMOUNT PAYABLE		Rs. 303741000	Rs. 130534000	Rs. 561814000	Rs. 199089000	Rs. 458190000

MAGNUM VENTURES LIMITED
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Term and Conditions of Settlement

1. The funds for the Settlement/Restructuring shall come from operation of the Hotel & Paper unit as per the cash flows mentioned in the Techno Economic Viability (TEV) Report.
2. The Promoter shall have the option of making pre-payment and in such a case, the prepaid amount shall be adjusted from the subsequent installment.
3. Post repayment of the entire Settlement/Restructured amount - MVL shall provide a Non Convertible Debentures (NCD) as mentioned below.

Amount of NCD to be issued post repayment of debts (Rs. In Lacs)

S.No.	Name of the Lenders	NCD Amount	To be issued on or Before
1	Oriental Bank of Commerce	1850	26-12-2023
2	Allahabad Bank	750	28-12-2023
3	Punjab National Bank	3500	31-12-2025
4	Indian Overseas Bank	1400	28-03-2025
5	Syndicate Bank	5800	24-09-2025

4. Default Interest-

In the event of any default in making payment of the installment(s)/transfer of shares by MVL on the respective due dates, interest on the default amount shall be charged @ 18% p.a. (compounded monthly) from the date of default till the date on which such default is cured.

5. MVL and/or Guarantors shall undertake to meet any shortfall in making payment as per terms of this proposal.

6. Conditions of Default-

- a) Failure to make any payment due under the proposed Settlement and/or transfer the NCD to AARC or failure to comply with any other terms and conditions will constitute an Event of Default;
- b) For each default of payment, a cure period of 30 days will be given for payment of defaulted amount along with default interest.
- c) In case the default of payment beyond the 30 days or in case of any other Event of Default, the Settlement shall stand revoked and entire outstanding dues of the borrowers and/or guarantor(s) shall be payable. AARC shall be entitled to initiate any legal action for recovery of

MAGNUM VENTURES LIMITED
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outstanding dues, as it may deem fit including enforcement under SARFAESI Act/DRT/DRAT/High Court, NCLT/NCLAT & Supreme Court

- d) Upon revocation of this proposal as per sub clause c above, any amount paid shall be forfeited and adjusted against total dues. Thereafter, AARC will be entitled to recover total dues along with interest at contractual rates, further interest and other charges from the said date till date of realization after adjusting amount received.

7. Other terms & Conditions-

- a) All existing securities, guarantees and legal documents including the loan/security documents entered into with the Assignor's mentioned above shall remain in full force and effect till the entire amount is credited to the accounts of **Alchemist Trust XXVI** as per schedule of payment given above.
- b) M/s Magnum Ventures Ltd. (MVL), promoter(s) and guarantor(s) shall make arrangements for payment of any Statutory and other dues payable by it. M/s Magnum Ventures Ltd.(MVL)shall indemnify AARC and hold harmless from any dues payable towards any Statutory body or labour arising any time before or after the acceptance of proposal date.
- c) After receipt of the total amount payable as per this proposal, as indicated in repayment schedule, AARC shall issue a "No Dues Letter" towards dues payable by MVL to AARC as assignee of debt from UCO Bank and all guarantees shall stand released thereof.
- d) AARC shall have inspection and visitation rights to all documents, facilities/premises of MVL at any point of time. Till such time that the amounts payable to AARC have not been repaid, MVL shall be under obligation to provide AARC with any such information which may be requested.
- e) MVL shall arrange to file consent terms with DRT/DRAT/High Court, NCLT/NCLAT & Supreme Court where the Original Application filed by AARC and/or Assignor Bank.
- f) MVL shall withdraw all litigations which they may have filed against AARC and/or Assignor Bank. Also, MVL shall ensure that all the litigations filed by third parties against AARC shall be withdrawn. The withdrawal applications shall be filed within 3 days of acceptance of this letter.
- g) That any expense which will be incurred in relation to resolution of MVL account, or for furtherance of this Settlement Agreement, will be borne by MVL, and if paid by AARC will be reimbursed by MVL on Actual Basis.
- h) The MVL shall not sell any of its fixed assets and/or investments save and except those as permitted in terms of the Restructuring and during normal course of business operation without prior recommendation of AARC. However, the company shall sell its non-core assets, wherever applicable and Asset sale Committee would be set up with the approval of AARC for sale of such assets.

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- i) The AARC shall have 'Right of Recompense' at its discretion arising out of concessions granted under this Settlement.
- j) Promoters shall infuse fresh long terms funds by way of equity or subordinated debt to ensure flow of working capital and any capex thereon.
- k) In case during the Settlement period if there is any shortfall in the required cash flow of the MVL due to shortage of EBIDTA resulting into the shortfall of repayment to AARC as envisaged in the scheme, the promoters will make good the shortfall therein
- l) AARC shall have the option to convert the excess debt into equity shares of the company as per applicable guidelines to ARC during the currency of loan / Settlement.
- m) The MVL and/or Guarantors will not repay any unsecured loan during the currency of Settlement cum Restructuring period and without the explicit approval AARC.
- n) The MVL and/or Guarantors will take necessary Board/ shareholders approvals for the present Settlement and Restructuring proposal and submit a copy of signed resolution for our record.
- o) AARC will have right to appoint Nominee Directors on the board of MVL. The MVL and/or Guarantors will take necessary corporate and regulatory steps in this regard.

16. PLEDGING OF SHARES

Presently the promoters of company has pledged the shares in favour of Lenders/AARC to the Company as Security to the tune of 70% of their shareholding in the Company.

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

Paper Division

a	Working Capital Limit	First charge by way of hypothecation of raw materials, stock in process, finished goods, receivables & other current assets of the Paper Division ranking pari-passu basis with the consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank) & Vijaya Bank.
b	Term Loan	First charge on the entire fixed assets of the Paper Division present & future (Excluding PCC) ranking on pari-passu basis consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank) & Vijaya Bank.

Hotel Division

a	Term Loan	First charge on present/future blocks assets of Hotel division ranking pari-passu with other lenders of the project consortium members AARC (on behalf of OBC,
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MAGNUM VENTURES LIMITED
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
AS ON 31ST MARCH 2020

		PNB, SYB, IOB & Allahabad Bank) &Vijaya Bank.
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Collateral

a	Working capital facilities shall be collaterally secured by way of Second Charge on entire fixed assets (present & future) of the company on pari-passu basis with consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank) &Vijaya Bank.. 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 consortium members AARC (on behalf of OBC, PNB, SYB, IOB & Allahabad Bank) & Vijaya Bank. First charge against these assets shall continue with working capital lender banks.

18. 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.
19. The Company had undergone reconstruction due to default in repayments of various banks except Vijaya Bank, however the case in this regards is pending before Hon'ble Delhi High Court.
20. In Financial Year 2017-18, the company had started production of Kraft paper. The company is having heavy losses in its production since inception as the cost of the product is higher than the net realizable value of the product. However the management is expecting profits in upcoming years from the production of this product and in order to capture more market the production of the same is being continued.
21. Initially the company had one GST registration for both the divisions, however due to change in GST regulations during the year, the company had to take separate GST registration for paper division from November 01, 2019.
22. During the year, loss of stock amounting to Rs.593.20 lakhs incurred due to fire at Paper Mill including the GST liability of Rs.53.46 lakhs which arose due to the loss. The stock was insured and the claim of the said loss have been filed before the insurance company however the claim has not yet been finalized by the insurance company.
In accordance with Ind AS 2 and 10, the inventories (after loss) have been verified and the losses have been booked accordingly however the treatment of insurance claim shall be made once the claim is received.

MAGNUM VENTURES LIMITED
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23. Estimation uncertainty relating to the global health pandemic on Covid-19

On March 11, 2020, the World Health Organization declared COVID 19 outbreak as pandemic which led to imposition of lockdown across the country from March 22, 2020.

Since the company operations does not fall within the guidelines of essential services issued by the Central and State Government, the operations of the Company got suspended from the said date.

The Company has started its operation of Paper division from July 24, 2020 however the operations of the Hotel division stands suspended and the hotel division shall come into operations in accordance with the guidelines issued by the Government for re-opening of hotel.

In view of the COVID 19 Pandemic, it is unable to evaluate the potential impact on capital and financial resources along with the profitability and financial performance of the company, accordingly the management has decided not to provide any provisions for the same in the Financial Statements as on March 31, 2020.

24. Previous year figure have been regrouped and reclassified wherever considered necessary to make them comparable to those of the current year.

25. Figures in {brackets} pertain to the previous year.

The above Note on Significant Accounting Policies 1 to 12 and Other Note 1 to 19 form an integral part of the Balance Sheet as at 31st March 2020 and has been authenticated as such.

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

For Aggarwal & Rampal Chartered Accountants Firm Reg. No. 003072N Sd/- Vinay Aggarwal (Partner) M.No.: 082045 UDIN: 20082045AAAAAB5458	Sd/- Pradeep Kumar Jain (Managing Director) DIN:00024879	Sd/- Abhey Jain (Whole Time Director) DIN:01876385
	Sd/- Parv Jain (Chief Financial Officer)	Sd/- Mohit Kumar Goel (Company Secretary) M.No. A 44288

Place: New Delhi

Date: 30/07/2020

If Undelivered please return to:

MAGNUM VENTURES LIMITED

Regd. Office: Office No. 205, 2nd Floor,
Building No. 4326, Street No. 3,
Ansari Road, Darya Ganj, Delhi- 110002