

Magnum Ventures Limited

CIN: L21093DL1980PLC010492

Registered Office: Room No. 118, First Floor, MGM Commercial Complex, 4634/1, Plot No. 19, Ansari Road, Darya Ganj, New Delhi-110002, Phone: +91-11-42420015

E-mail: info@magnumventures.in Website: www.magnumventures.in

To,
Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

To
The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, P.J.Towers,
Dalal Street, Mumbai - 400 001

Sub: Application under Regulation 37 and 59A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") for the proposed Scheme of Arrangement among Magnum Ventures Limited ("Demerged Company"), Magnum Paperz Limited ("Resulting Company") and their respective shareholders and creditors ("the Proposed Scheme")

Ref: Amendments proposed in the Draft Scheme of Arrangement

Dear Sirs

This has reference to the captioned matter and discussions held with the NSE on this matter, we wish to confirm that the following shall be incorporated/ updated in the Draft Scheme of Arrangement, before filing of the same with the Hon'ble National Company Law Tribunal:

I. The following shall be added in Para C of the Scheme of Arrangement:

Rationale for Cancellation of Pre-Scheme Share Capital of the Resulting Company

- a. The Resulting Company was incorporated as a wholly owned subsidiary of the Demerged Company with the primary objective of housing and carrying on the Paper Business proposed to be transferred pursuant to this Scheme.
- b. As on the date of approval of the Scheme, the entire issued, subscribed and paid-up share capital of the Resulting Company is held by the Demerged Company and/or its nominees. Consequently, the existing share capital of the Resulting Company merely represents the ownership interest of the Demerged Company in its wholly owned subsidiary and does not represent any independent economic interest of third-party investors.

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- c. Upon the Scheme becoming effective, the Resulting Company will cease to be a wholly owned subsidiary of the Demerged Company and will become a separately held company owned directly by the shareholders of the Demerged Company.
- d. It is the fundamental objective of the Scheme that the shareholders of the Demerged Company should directly hold shares in the Resulting Company in the same proportion in which they hold shares in the Demerged Company immediately prior to the Scheme becoming effective, thereby ensuring continuity of ownership and economic participation in the Paper Business.
- e. In order to achieve the aforesaid objective and to avoid creation of any differential rights, duplication of economic interests or unintended benefit in favour of any person, the existing issued, subscribed and paid-up share capital of the Resulting Company is proposed to be cancelled and extinguished, without consideration, and the Resulting Company shall simultaneously issue and allot fresh shares to the shareholders of the Demerged Company in accordance with the provisions of this Scheme.
- f. The proposed cancellation is merely a consequential and integral component of the Demerger and is analogous to elimination of cross-holdings arising from the wholly owned subsidiary structure. The same does not result in any economic loss, prejudice or diminution of rights of any shareholder, creditor or other stakeholder.

Rationale for Reduction of Share Capital of the Demerged Company

- a. The Demerged Company presently carries on two distinct business verticals, namely the Paper Business and the Hotel Business.
- b. Pursuant to the Scheme, the entire Paper Business together with all related assets, liabilities, contracts, licences, employees, rights, obligations and business operations shall stand transferred to and vested in the Resulting Company as a going concern.
- c. Consequently, a substantial portion of the assets, revenues, profits, cash flows and business operations presently forming part of the Demerged Company shall stand transferred to the Resulting Company.
- d. The proposed reduction of share capital is intended to appropriately realign the capital structure of the Demerged Company with the scale, size, net worth and asset base of the residual Hotel Business that shall continue to remain with the Demerged Company after implementation of the Scheme.

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- e. The reduction of equity share capital and preference share capital has been determined having regard to the relative value of the businesses retained by the Demerged Company and transferred to the Resulting Company, the post-Scheme net worth position of both companies and the objective of creating balanced, efficient and sustainable capital structures in both entities.
- f. The proposed reduction of share capital is an integral and inseparable component of the Composite Scheme of Arrangement and has been designed having regard to the relative value of the Demerged Undertaking and the Remaining Business. The reduction is intended to ensure that the post-Scheme capital structure of the Demerged Company appropriately reflects the scale and value of the business retained by it after transfer of the Demerged Undertaking to the Resulting Company.
- g. The proposed reduction does not involve any selective reduction and shall apply uniformly to all shareholders holding shares of the same class.
- h. Further, the proposed reduction shall not result in any change in the inter-se shareholding pattern, voting rights or economic participation of the shareholders of the Demerged Company, all of whom shall continue to hold shares in the Demerged Company in the same proportion as existing immediately prior to the Scheme becoming effective.

Rationale for the Share Exchange Ratio and Capital Restructuring Mechanism

- a. The Share Exchange Ratio and the corresponding reduction and cancellation of share capital have been determined, taking into consideration the value of the Demerged Undertaking, the value of the Remaining Business, the respective net worth of the Companies, future earning potential, growth prospects and other generally accepted valuation methodologies.
- b. The objective of the Scheme is that, upon implementation of the Demerger, the shareholders of the Demerged Company should continue to participate proportionately in both business verticals through direct shareholding in the Demerged Company and the Resulting Company.
- c. Accordingly, the Scheme has been structured in a manner whereby the same body of shareholders shall continue to hold shares in both the Demerged Company and the Resulting Company in the identical proportions, thereby preserving continuity of ownership, voting rights and economic interests.

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- d. The proposed Share Exchange Ratio, cancellation of the pre-Scheme share capital of the Resulting Company and reduction of the share capital of the Demerged Company are integral, inter-dependent and inseparable components of a composite restructuring exercise and have therefore been designed to be read, interpreted and implemented together.
- e. The Boards of Directors of the Demerged Company and the Resulting Company are of the considered opinion that the proposed Share Exchange Ratio, cancellation of the pre-Scheme share capital of the Resulting Company and reduction of the share capital of the Demerged Company are fair, reasonable, commercially justified and in the best interests of the shareholders and all other stakeholders.
- f. It is further clarified that the proposed cancellation and reduction of share capital:
 - i. do not involve any diminution of liability in respect of unpaid share capital;
 - ii. do not involve any payment to any shareholder of any paid-up share capital;
 - iii. do not constitute a buy-back of securities within the meaning of the Companies Act, 2013 or any other Applicable Law; and
 - iv. do not result in any change in control, management or proportionate voting rights of the shareholders.

II. The following shall be added in Para 11.2 and 12.3 of the Scheme of Arrangement:

In case, the total number of shares to be allocated to the Trust also comes out to be in fraction, then in such case, such fraction shall be rounded off to the nearest whole number.

For Magnum Ventures Limited

Abhay Jain
Managing Director
DIN: 01876385

Date: 10-06-2026
Place: Ghaziabad