

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

REPORT OF THE AUDIT COMMITTEE OF MAGNUM VENTURES LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT AMONG MAGNUM VENTURES LIMITED AND MAGNUM PAPERZ LIMITED, AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Presence at the Audit Committee Meeting held on February 27, 2026:

Name	Designation
Ms. Jyoti Bansal	Chairman (Independent Director)
Ms. Shalini Rahul	Independent Director
Mr. Parveen Jain	Non-Executive Director

Ms. Aaina Gupta, Company Secretary and Mr. Parv Jain, Chief Financial Officer of Magnum Ventures Limited was also present at the meeting.

1. BACKGROUND

- 1.1 A meeting of the Audit Committee (“the Audit Committee”) of Magnum Ventures Limited (“the Company”) was held on 27th February, 2026, inter-alia, to consider and, if thought fit, recommend to the Board of Directors, the proposed Scheme of Arrangement among Magnum Ventures Limited and Magnum Paperz Limited, and their respective shareholders and creditors (“the Scheme”/ “the Proposed Scheme”).

The Scheme of Arrangement is framed in terms of the provisions of Sections 230 and 232 read with Section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) of the Income Tax Act, 1961, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Chapter XII of Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 'Master Circular for listing obligations and disclosure requirements for non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper' dated May 21, 2024, issued by the SEBI (“the SEBI Scheme Circular”), as amended, and other applicable provisions.

The proposed Scheme of Arrangement (“Scheme”), inter alia, provides for Demerger of ‘Paper Business’ (Demerged Undertaking) of Magnum Ventures Limited (the Demerged Company) into Magnum Paperz Limited (the Resulting Company), as a going concern; and matters incidental, consequential and integrally connected thereto. The Demerged undertaking consist of the business of manufacturing paper and paper products from wastepaper through its manufacturing facilities located at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all activities incidental or ancillary thereto. The Scheme of Arrangement also provides for reduction of capital of the Demerged Company, for the purpose of giving effect to the Demerger.

The sequence for implementation of the Scheme of Arrangement is proposed as under:

- a. **Demerger and Issue of New Shares by the Resulting Company:** Upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall stand demerged from and vested in the Resulting Company as a going concern in accordance with the Scheme, and in consideration thereof, the Resulting Company shall, issue and allot the New Shares to the shareholders of the Demerged Company. Simultaneously, the pre-

Corporate Office: 18/41, Site IV, Industrial Area, Sahibabad, Ghaziabad (U.P) 201010
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Jyoti Bansal



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Scheme equity share capital of the Resulting Company shall stand cancelled and extinguished.

- b. **Reduction of Share Capital of the Demerged Company:** Upon completion of the issue and allotment of the New Shares by the Resulting Company, the Demerged Company shall, as an integral part of the Scheme and without any further act, approval or application, reduce its issued, subscribed and paid-up share capital in the manner mentioned in the Scheme.

In terms of the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, a report from the Audit Committee is required recommending the draft Scheme, taking into consideration, inter alia, the Valuation Report (as defined hereinafter), and commenting on need for the scheme of arrangement, the rationale of the Scheme, impact of the Scheme on the Shareholders, cost benefit analysis of the Scheme and synergies of business of the entities involved in the Scheme. This Report of the Audit Committee is made in order to comply with the requirements of the SEBI Scheme Circular.

1.2 The Salient features of the Scheme: The salient features/terms and conditions of the proposed Scheme of Arrangement which, inter-alia, include the following:

- a. All assets and liabilities, including tax and statutory liabilities, of the Demerged Undertaking shall transfer to and vest in the Resulting Company on a going concern basis.
- b. All employees of the Demerged Undertaking in service as on the Effective Date shall become employees of the Resulting Company without break in service and on terms not less favourable.
- c. Consideration for Demerger:
- (i) The Resulting Company shall issue and allot two (2) New Equity Shares of face value of INR 10 each, credited as fully paid-up, to the Equity Shareholders of the Demerged Company for every ten (10) Equity Shares of face value of INR 10 each held by them in the Demerged Company.
- (ii) The Resulting Company shall issue and allot nine (9) New Compulsorily Redeemable Preference Shares of face value of INR 100 each, credited as fully paid-up, to each of the Compulsorily Redeemable Preference Shareholders of the Demerged Company for every ten (10) Compulsorily Redeemable Preference Shares of face value of INR 100 each held by them in the Demerged Company, on the same terms and conditions.
- d. **Cancellation of pre-scheme shareholding of Resulting Company:** Pursuant to the provisions of the Scheme, the Resulting Company shall, inter alia, issue and allot new equity shares to the equity shareholders of the Demerged Company in consideration of the transfer and vesting of the Demerged Undertaking. It is the intent and objective of the Scheme that, upon the Scheme becoming effective, the equity shareholding pattern of the Resulting Company shall mirror the equity shareholding pattern of the Demerged Company, such that the same set of equity shareholders shall hold equity shares in the Demerged Company and the Resulting Company in the same proportion. In order to achieve the aforesaid mirror shareholding structure, and upon the Scheme becoming effective, the entire issued, subscribed and paid-up equity share capital of the Resulting Company as existing immediately prior to the Effective Date shall stand

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cancelled and extinguished, without any further act, instrument or deed and without any payment being made to any shareholder of the Resulting Company against such cancellation. It is expressly clarified that no consideration, cash or otherwise, shall be paid by the Resulting Company to any shareholder in respect of such cancellation.

- e. **Reduction of Capital of the Demerged Company:** Upon the Scheme becoming effective and after the issue and allotment of New Shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Scheme, the Demerged Company shall, for the purpose of giving effect to the Demerger and reflecting the same in its books of account, reduce its issued, subscribed and paid-up share capital in the following manner:
- (i) The issued, subscribed and paid-up equity share capital of the Demerged Company shall be reduced by seventy per cent (70%) on a proportionate basis. Accordingly, seven (7) equity shares of face value INR 10 each out of every ten (10) equity shares of face value INR 10 each held by each equity shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.
 - (ii) The issued, subscribed and paid-up preference share capital of the Demerged Company shall also be reduced by ninety per cent (90%) on a proportionate basis. Accordingly, nine (9) compulsorily redeemable preference shares of face value INR 100 each out of every ten (10) compulsorily redeemable preference shares of face value INR 100 each held by each preference shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.

As a consequence of the aforesaid reduction, upon the Scheme becoming effective:

- i. For every ten (10) equity shares of face value INR 10 each held in the Demerged Company as on the Record Date, the equity shareholders shall thereafter hold three (3) equity shares of face value INR 10 each, credited as fully paid-up, and the balance seven (7) equity shares of face value INR 10 each shall stand cancelled and extinguished, without any further act, instrument or deed.
 - ii. For every ten (10) compulsorily redeemable preference shares of face value INR 100 each held in the Demerged Company as on the Record Date, the preference shareholders shall thereafter hold one (1) compulsorily redeemable preference share of face value INR 100 each, credited as fully paid-up, and the balance nine (9) compulsorily redeemable preference shares of face value INR 100 each shall stand cancelled and extinguished, without any further act, instrument or deed.
- f. The Appointed Date shall be the same as the Effective Date of the Scheme, or such other date as may be approved by the Boards and sanctioned by the Hon'ble NCLT.
- g. BSE Limited shall be the Designated Stock Exchange for the purposes of the Scheme.
- h. The Scheme shall be effective subject to the following:
- i. Approval of the Scheme by the BSE Limited, the National Stock Exchange of India Limited (NSE) ("Stock Exchanges") and the Securities and Exchange Board of India

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("SEBI"), pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI Scheme Circular.

- ii. Approval of the Scheme by the requisite majorities of Shareholders and/or Creditors of each of the Scheme entities as may be directed by the Hon'ble NCLT.
 - iii. Approval of the Scheme by the public shareholders through e-voting in terms of Para 'A' '10(b)' of Part-I of the SEBI Scheme Circular.
 - iv. Sanction of the Scheme by the NCLT having jurisdiction over the Scheme entities.
 - v. Filing of the certified copies of the NCLT Order(s) sanctioning the Scheme to the respective jurisdictional Registrar of Companies by the Scheme entities.
- 1.3 The Demerged Company – Magnum Ventures Limited is a listed company. The Equity Shares and Non-Convertible Debenture of the Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company will be filing the Scheme along with information/documents with the Stock Exchange for their approval under Regulation 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.4 The Report of Audit Committee is made in order to comply with the requirements of the SEBI Scheme Circular, after considering the following:
- i. Draft Scheme of Arrangement, duly initialed by the Company Secretary of the Company for the purpose of identification.
 - ii. The Report on Valuation of Shares & Share Exchange Ratio dated February 27, 2026 issued by Ms Mallika Goel, the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/11/2022/14784, to the Company, stipulating, inter alia, the methodology adopted, the valuation arrived at and Share Exchange Ratio recommended for the Proposed Scheme ("**the Valuation Report**").
 - iii. Fairness Opinion Report dated February 27, 2026 on the Report on Valuation of Shares & Share Exchange Ratio, issued by 3Dimension Capital Services Limited, a SEBI Registered Category I Merchant Banker to the Company, providing its opinion on the fairness of the Share Exchange Ratio recommended in the Valuation Report ("**the Fairness Opinion**").
 - iv. Draft Certificates, in the prescribed format, by the respective Statutory Auditors of the Companies under the Scheme pursuant to Para 'A' '5' of Part-I of the SEBI Scheme Circular dated June 20, 2023 to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under section 133 of the Companies Act, 2013, read with the rules framed thereunder and other Generally Accepted Accounting Principles.
 - v. Draft Certificates, in the prescribed format, by the respective Statutory Auditors of the Companies under the Scheme pursuant to Annexure – XII-B of Chapter – X of the SEBI Circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 'Master Circular for listing obligations and disclosure requirements for non-convertible Securities, Securitised Debt

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Instruments and/ or Commercial Paper' dated May 21, 2024, for certifying the payment/ repayment capacity in respect of the NCDs.

- vi. Pre-Scheme and Post Scheme Shareholding Pattern of the both Companies;
- vii. Details of the Non-Convertible Debentures (NCDs) and Compulsorily Redeemable Preference Shares (CRPS) issued in the Demerged Company.
- viii. Audited Financial Statements of the Demerged Company for the financial years ended 31st March 2025, 31st March 2024 and 31st March, 2023.
- ix. Latest unaudited financial statements of Magnum Ventures Limited for the period ended 31st December 2025 (subjected to the limited review by the statutory auditors).
- x. Un-Audited Proforma Balance Sheet of the Demerged Undertaking as on 31st December, 2025;
- xi. Audited Financial Statements of Magnum Paperz Limited for the period ended 31st December, 2025.

2. Objects and need for the Scheme of Arrangement and its detailed rationale

The circumstances that justify and/or necessitate the proposed Scheme of Arrangement between Magnum Ventures Limited and Magnum Paperz Limited, and the benefits of the Proposed Scheme are set out below:

- i. Existing Business Verticals: Magnum Ventures Limited (the Demerged Company) is engaged in two distinct business verticals, namely:
 - a. **Paper Business:** The business of manufacturing paper and paper products from wastepaper through its manufacturing facilities located at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all activities incidental or ancillary thereto.
 - b. **Hotel Business:** The business of owning and operating a Five Star Hotel under the brand "Country Inn & Suites by Radisson", situated at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all activities incidental or ancillary thereto. The said hotel has the distinction of being an all-vegetarian hotel formally certified as a Five Star Hotel by the Hotel & Restaurant Approval and Classification Committee (HRACC), Ministry of Tourism, Government of India.
- ii. Distinct Nature of Businesses: The Paper Business and the Hotel Business are inherently different in nature, with distinct operational characteristics, risk profiles and regulatory requirements, and require separate management focus and specialised skill sets.
- iii. Focused Business Strategy: The management of the Demerged Company proposes to hive off the Paper Business into a separate entity in order to create a focused and independent business structure for each business vertical.

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- iv. **Operational and Strategic Flexibility:** The proposed demerger will provide flexibility to manage the Demerged Company and the Resulting Company independently and to enter into different strategic alliances, partnerships and collaborations appropriate to each business in the future.
 - v. **Optimised Capital Structure:** The demerger will enable both the Demerged Company and the Resulting Company to adopt capital structures and financial policies aligned with their respective operational requirements and long-term strategic objectives.
 - vi. **Improved Resource Mobilisation:** The Scheme will facilitate each Company to attract and retain suitable manpower, raise funds, and invite strategic investors and other stakeholders independently, based on the needs of their respective businesses.
 - vii. **Independent Growth and Expansion:** The demerger will provide a platform for independent growth and expansion of each business vertical without exposing the entire organisation to the risks associated with the other business.
 - viii. **Enhanced Management Focus:** With a view to achieving greater management focus and keeping in mind the paramount and overall interests of the shareholders, the Demerged Company and the Resulting Company have considered that a Scheme of Demerger is the most appropriate and efficient mechanism.
 - ix. **Overall Stakeholder Benefit:** The proposed Scheme of Demerger is expected to have a beneficial impact on the Demerged Company and the Resulting Company, their respective employees, shareholders and other stakeholders, and is in the overall interest of all concerned.
3. **Consideration for the Scheme and Share Exchange Ratio:** The Audit Committee reviewed and noted the Share Exchange Ratio recommended in the Valuation Report & as per the Draft Scheme and accordingly confirmed the following Exchange Ratio:

Exchange Ratio for Demerger:

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in accordance with the provisions of the Scheme, the Resulting Company shall, without any further act, application or deed, issue and allot New Shares to the shareholders of the Demerged Company whose names appear in the Register of Members and/or list of Beneficial Owners, as received from the Depositories, as the case may be, as on the Record Date, in the following manner:

- (i). The Resulting Company shall issue and allot two (2) New Equity Shares of face value of INR 10 each, credited as fully paid-up, to the Equity Shareholders of the Demerged Company for every ten (10) Equity Shares of face value of INR 10 each held by them in the Demerged Company.
- (ii). The Resulting Company shall issue and allot nine (9) New Compulsorily Redeemable Preference Shares of face value of INR 100 each, credited as fully paid-up, to each of the Compulsorily Redeemable Preference Shareholders of the Demerged Company for every ten (10) Compulsorily Redeemable Preference Shares of face value of INR 100 each held by them in the Demerged Company, on the same terms and conditions.

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Fractional entitlements arising out of the aforesaid exchange process for Equity Shares and Compulsorily Redeemable Preference Shares, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Resulting Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Resulting Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Resulting Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

Cancellation of pre-scheme shareholding of Resulting Company:

Pursuant to the provisions of the Scheme, the Resulting Company shall, inter alia, issue and allot new equity shares to the equity shareholders of the Demerged Company in consideration of the transfer and vesting of the Demerged Undertaking. It is the intent and objective of the Scheme that, upon the Scheme becoming effective, the equity shareholding pattern of the Resulting Company shall mirror the equity shareholding pattern of the Demerged Company, such that the same set of equity shareholders shall hold equity shares in the Demerged Company and the Resulting Company in the same proportion. In order to achieve the aforesaid mirror shareholding structure, and upon the Scheme becoming effective, the entire issued, subscribed and paid-up equity share capital of the Resulting Company as existing immediately prior to the Effective Date shall stand cancelled and extinguished, without any further act, instrument or deed and without any payment being made to any shareholder of the Resulting Company against such cancellation. It is expressly clarified that no consideration, cash or otherwise, shall be paid by the Resulting Company to any shareholder in respect of such cancellation.

Reduction of Capital of the Demerged Company:

Upon the Scheme becoming effective and after the issue and allotment of New Shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Scheme, the Demerged Company shall, for the purpose of giving effect to the Demerger and reflecting the same in its books of account, reduce its issued, subscribed and paid-up share capital in the following manner:

- a. The issued, subscribed and paid-up equity share capital of the Demerged Company shall be reduced by seventy per cent (70%) on a proportionate basis. Accordingly, seven (7) equity shares of face value INR 10 each out of every ten (10) equity shares of face value INR 10 each held by each equity shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.
- b. The issued, subscribed and paid-up preference share capital of the Demerged Company shall also be reduced by ninety per cent (90%) on a proportionate basis. Accordingly, nine (9) compulsorily redeemable preference shares of face value INR 100 each out of every ten (10) compulsorily redeemable preference shares of face value INR 100 each held by each preference shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.

As a consequence of the aforesaid reduction, upon the Scheme becoming effective:

- iii. For every ten (10) equity shares of face value INR 10 each held in the Demerged Company as on the Record Date, the equity shareholders shall thereafter hold three (3) equity shares of face value INR 10 each, credited as fully paid-up, and the balance seven (7) equity shares of

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face value INR 10 each shall stand cancelled and extinguished, without any further act, instrument or deed.

- iv. For every ten (10) compulsorily redeemable preference shares of face value INR 100 each held in the Demerged Company as on the Record Date, the preference shareholders shall thereafter hold one (1) compulsorily redeemable preference share of face value INR 100 each, credited as fully paid-up, and the balance nine (9) compulsorily redeemable preference shares of face value INR 100 each shall stand cancelled and extinguished, without any further act, instrument or deed.

Fractional entitlements arising out of the aforesaid exchange process for Equity Shares and Compulsorily Redeemable Preference Shares, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Demerged Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Demerged Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Demerged Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

No cash consideration is payable under the proposed Scheme of Arrangement.

It is confirmed that the Scheme does not provide for any adjustment of accumulated losses against the profits/ reserves as per the financial statements of the Demerged Company.

4. The Audit Committee reviewed and confirmed the draft accounting treatment certificate in the Scheme which has been certified by the respective Statutory Auditors of the Companies in the Scheme.
5. The Audit Committee further noted that the Fairness Opinion from the Merchant Banker has confirmed that the Share Exchange Ratio as recommended by the Registered Valuer, is fair and reasonable.
6. **Impact of the Scheme on the shareholders of the company**

(I) Impact of the Scheme on equity shareholders

- a. Pursuant to the proposed Scheme of Arrangement, the Resulting Company shall, inter alia, issue and allot new equity shares to the equity shareholders of the Demerged Company in consideration of the transfer and vesting of the Demerged Undertaking as a going concern.
- b. The Scheme contemplates that, upon the Scheme becoming effective, the equity shareholding pattern of the Resulting Company shall mirror the equity shareholding pattern of the Demerged Company, such that the same set of equity shareholders shall hold equity shares in both the Demerged Company and the Resulting Company in identical proportion.
- c. The Resulting Company is a wholly owned subsidiary of the Demerged Company. In order to achieve the aforesaid mirror shareholding structure, the entire issued, subscribed and paid-up equity share capital of the Resulting Company, as existing immediately prior to the Effective Date shall, by operation of the Scheme, stand cancelled and extinguished without any further

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act, instrument or deed and without any consideration, cash or otherwise, being paid by the Resulting Company to any shareholder in respect of such cancellation.

- d. It is expressly clarified that such cancellation is a restructuring mechanism forming an integral part of the Scheme and does not involve any transfer of economic value to or from the shareholders of the Resulting Company.
- e. In view of the fact that, upon implementation of the Scheme, the Demerged Company and the Resulting Company shall have an identical set of equity shareholders holding equity shares in the same proportion, there is no change in the relative economic interest of the shareholders as a group.
- f. In terms of Scheme, the entire post-Scheme issued and paid-up Equity Share Capital of the Resulting Company, comprising the New Equity Shares issued to the shareholders of the Demerged Company pursuant to the Scheme, shall be listed and admitted to trading on BSE, NSE and such other stock exchange(s) on which the Equity Shares of the Demerged Company are listed as on the Effective Date.
- g. Further, upon the Scheme becoming effective and after the issue and allotment of new equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the proposed demerger part of the Scheme, it is proposed that the Demerged Company shall, for the purpose of giving effect to the Demerger and appropriately reflecting the same in its books of account, reduce its issued, subscribed and paid-up equity and preference share capital, as detailed out at Para 3 (Share Exchange ratio) above.
- h. The proposed reduction of capital is an integral and inseverable part of the Scheme and is intended to align the capital structure of the Demerged Company with the scale, net worth, and financial position of the Remaining Business post demerger.
- i. It is noted that the reduction of share capital shall be on proportionate basis and all pre-Scheme equity shareholders of the Demerged Company shall continue to remain equity shareholders of the Demerged Company, even after the Scheme becomes effective, in the same percentage and proportion.
- j. The Audit Committee is of the view that that share exchange ratio is fair and reasonable and do not result in any prejudice to the interests of any equity shareholders.
- k. In view of the above, the Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme. The Committee is of the opinion that the Scheme is not detrimental to the interest of any shareholders.

(II) Impact of the Scheme on Preference shareholders

- a. The Demerged Company has also issued compulsorily redeemable preference shares ("CRPS"), a substantial portion of which forms part of the Demerged Undertaking proposed to be transferred to the Resulting Company under the Scheme.
- b. Considering the nature of such CRPS, their linkage to the Demerged Undertaking, and the overall structure of the Scheme, a corresponding exchange mechanism for the CRPS is

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considered appropriate in order to ensure consistency and economic alignment between the Demerged Company and the Resulting Company, in the following manner:

- (i) The Resulting Company shall issue and allot nine (9) New Compulsorily Redeemable Preference Shares of face value of INR 100 each, credited as fully paid-up, to each of the Compulsorily Redeemable Preference Shareholders of the Demerged Company for every ten (10) Compulsorily Redeemable Preference Shares of face value of INR 100 each held by them in the Demerged Company, on the same terms and conditions.
 - (ii) Further, for every ten (10) compulsorily redeemable preference shares of face value INR 100 each held in the Demerged Company, the preference shareholders shall thereafter hold one (1) compulsorily redeemable preference share of face value INR 100 each, credited as fully paid-up, and the balance nine (9) compulsorily redeemable preference shares of face value INR 100 each shall stand cancelled and extinguished in the books of the Demerged Company.
- c. It is noted that the terms and conditions of the CRPS to be issued by the Resulting Company and the CRPS held after the reduction of capital in the Demerged Company; shall remain the same. Further, the total aggregate value of the CRPS, in the Demerged Company and the Resulting Company, post implementation of the Proposed Scheme shall be exactly equal to the pre-scheme value of CRPS issued in the Demerged Company.
 - d. The Pre-Scheme CRPS is not listed and it is not proposed, nor is it required under applicable law, to list the CRPS to be issued pursuant to the Scheme on any Stock Exchange.
 - e. The Audit Committee is of the view that share exchange ratio is fair and reasonable and do not result in any prejudice to the interests of any preference shareholders.
 - f. Further, the Scheme is not detrimental to the interest of any shareholders and also shall have no adverse impact on the Preference Shareholders. All the shareholders would be benefited due to overall positive impact of the Scheme on the Companies.

(III) Impact of the Scheme on NCD holders

- a. The NCDs forming part of the Demerged Undertaking shall, pursuant to the Scheme, be transferred to and vest in the Resulting Company on the same terms and conditions, including coupon rate, tenure, redemption price, quantum, ranking, nature of security, and all other rights and obligations attached thereto. As per the Proposed Scheme, it has been confirmed that the Proposed Scheme does not entail any change in the terms and conditions of the NCDs issued by the Demerged Company.
- b. It is further confirmed that the Resulting Company shall take all necessary steps to obtain listing and trading approvals for the NCDs on the Stock Exchanges on which such NCDs are listed as on the Effective Date. Upon receipt of such approvals, the NCDs shall continue to remain listed and freely tradable, thereby ensuring liquidity and exit options for the NCD holders.
- c. In view of the aforesaid facts the Scheme is not detrimental to the interest of any NCD holder and also shall have no any adverse impact on the NCD holders. All the NCD holders would be benefited due to overall positive impact of the Scheme on the Companies.

Corporate Office: 18/41, Site IV, Industrial Area, Sahibabad, Ghaziabad (U.P) 201010

Ph: 0120-4199200



Jyoti Baniya

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

7. Synergies of business of the entities involved in the Scheme:

The proposed Scheme of Arrangement involve the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company. The detailed rationale for the Scheme is mentioned above at Para 2 above.

8. Cost benefit analysis of the Scheme:

The Consideration (as defined in the Scheme and also mentioned in this report) represents a fair shares exchange swap ratio recommended in the Valuation Report and Fairness Opinion obtained by the Company in relation to the Scheme. The Scheme would entail some costs towards implementation. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the entities involved in the Scheme.

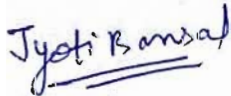
The proposed Scheme would be in the best interests of the Demerged Company, the Resulting Company and, their respective shareholders, employees, creditors and other stakeholders for the reasons mentioned in Para 2 above.

9. Recommendations of the Audit Committee:

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme of Arrangement, the Share Exchange Ratio/ Valuation Report, Fairness Opinion, detailed Rationale of the Scheme, Accounting Treatment for the Scheme, impact of the Scheme on the Shareholders and other stakeholders and cost benefit analysis of the Scheme and the specific matters mentioned above, recommends the draft Scheme of Arrangement for favorable consideration by the Board of Directors of the Company, the Stock Exchange(s), SEBI and other applicable regulatory authorities.

This report of the Audit Committee is made in order to comply with the requirements of the SEBI Scheme Circular after considering the necessary documents.

By Order of the Audit Committee of
Magnum Ventures Limited



Jyoti Bansal
Chairman



Date: February 27, 2026
Place: Ghaziabad, U.P.