February 17, 2021

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001
Security ID: MAGMA

National Stock Exchange of India Ltd.
Exchange Plaza, 3rd Floor
Plot No.3-1, G Block, I.F.B. Centre,
Bandra-Kurla-Complex, Bandra (East)
Mumbai – 400 051
Symbol: MAGMA

Dear Sir(s)

Sub: Submission of the detailed public statement regarding the open offer for acquisition of up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) fully paid up equity shares of face value of INR 2 (Indian Rupees two only) each, representing 26% (twenty six percent) of the Expanded Voting Share Capital of Magma Fincorp Limited ("Target Company") by Rising Sun Holdings Private Limited ("Acquirer") together with Mr Sanjay Chamria ("PAC 1") and Mr Mayank Poddar ("PAC 2"), in their capacity as the persons acting in concert with the Acquirer (collectively, "PACs") ("Open Offer")

With regards to the captioned Open Offer, the Acquirer has appointed us as the Manager to the Open Offer pursuant to and in accordance with Regulation 12(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**").

In accordance with regulation 14(4) of the SEBI (SAST) Regulations, we hereby enclose a copy of the detailed public statement for the Open Offer, published on February 17, 2021 ("**DPS**") in the Financial Express (English – All editions), Jansatta (Hindi – All editions), Aajkal (Bengali – Kolkata edition) and Navshakti (Marathi – Mumbai edition).

All capitalised terms not defined herein shall have the same meaning, as specified in the enclosed DPS.

We request you to take the same on your records and upload it on your website for dissemination to the public.

Yours faithfully

For **Axis Capital Limited**



Name: Ankit Bhatia
Designation: Senior Manager

DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 3(1) AND 4 READ WITH 13(4), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, TO THE PUBLIC SHAREHOLDERS OF

MAGMA FINCORP LIMITED

Registered Office: Development House, 24 Park Street, Kolkata – 700 016
Tel: +91 (33) 4401 7350; Website: www.magma.co.in

OPEN OFFER FOR ACQUISITION OF UP TO 19,88,32,105 (NINETEEN CRORE EIGHTY EIGHT LAKH THIRTY TWO THOUSAND ONE HUNDRED AND FIVE) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 2 (INDIAN RUPEES TWO ONLY) EACH ("EQUITY SHARES"), REPRESENTING 26% (TWENTY SIX PERCENT) OF THE EXPANDED VOTING SHARE CAPITAL (AS DEFINED BELOW) OF MAGMA FINCORP LIMITED ("TARGET COMPANY") AT A PRICE OF INR 70 (INDIAN RUPEES SEVENTY ONLY) PER EQUITY SHARE FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY, BY RISING SUN HOLDINGS PRIVATE LIMITED ("ACQUIRER"), TOGETHER WITH MR SANJAY CHAMRIA ("PAC 1") AND MR MAYANK PODDAR ("PAC 2") (COLLECTIVELY, "PACs"), IN THEIR CAPACITY AS THE PERSONS ACTING IN CONCERT WITH THE ACQUIRER ("OFFER" / "OPEN OFFER").

This detailed public statement ("**DPS**") is being issued by Axis Capital Limited, the manager to the Open Offer ("**Manager to the Offer**" or "**Manager**"), for and on behalf of the Acquirer and the PACs, in compliance with Regulations 3(1) and 4 and read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**"), pursuant to the public announcement dated February 10, 2021 ("**PA**") in relation to this Offer, which was filed with the BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"), and the Securities and Exchange Board of India ("**SEBI**") and sent to the Target Company on February 10, 2021, in terms of Regulation 14(1) and 14(2) of the SEBI (SAST) Regulations.

For the purposes of this DPS, the following terms would have the meaning assigned to them herein below:

"**Expanded Voting Share Capital**" shall mean the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) working day from the closure of the tendering period for the Open Offer. This includes: (a) 49,37,14,286 (forty nine crore thirty seven lakh fourteen thousand two hundred and eighty six) Equity Shares to be allotted by the Target Company to the Acquirer and the PACs by way of the Preferential Allotment (*as defined below*), subject to the approval of the shareholders of the Target Company and other statutory / regulatory approvals; and (b) 14,07,867 (fourteen lakh seven thousand eight hundred and sixty seven) employee stock options vested or which shall vest prior to June 30, 2021, assuming that June 30, 2021 is the 10th (tenth) working day from the closure of the tendering period for the Open Offer.

"**Post Issue Voting Share Capital**" shall mean the total issued and paid up equity share capital of the Target Company as on date, i.e. 26,96,16,712 (twenty six crore ninety six lakh sixteen thousand seven hundred and twelve) Equity Shares (the equity share capital as on date includes 25,200 Equity Shares which have been allotted under Magma Employee Stock Option Plan 2007 and are in the process of being credited and listed), along with 49,37,14,286 (forty nine crore thirty seven lakh fourteen thousand two hundred and eighty six) Equity Shares to be allotted by the Target Company to the Acquirer and the PACs by way of the Preferential Allotment (*as defined below*), subject to the approval of the shareholders of the Target Company and other statutory / regulatory approvals.

"**Public Shareholders**" means all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the PACs, the promoters and members of the promoter group of the Target Company, and other persons deemed to be acting in concert with the Acquirer and/or the PACs.

I. ACQUIRER, PACs, TARGET COMPANY AND OPEN OFFER

1. Details of Rising Sun Holdings Private Limited ("Acquirer")

1.1. The Acquirer is a private limited company incorporated on March 1, 1993 under the Companies Act, 1956 bearing corporate identification number U67110PN1993PTC070989. There has been no change in the name of the Acquirer since its incorporation.

1.2. The registered office of the Acquirer is located at Sarosh Bhavan, 16-B/1, Dr. Ambedkar Road, Pune – 411 001.

1.3. The Acquirer is primarily engaged in making investments, leasing property on rent and information sharing/business referencing to a certain entity.

1.4. The shares of the Acquirer are not listed on any stock exchanges. Mr Adar Poonawalla is the controlling shareholder of the Acquirer, holding 99.99% of the equity share capital of the Acquirer. The Acquirer is part of Mr Adar Poonawalla's Rising Sun group.

1.5. Save and except for the PACs, no other person is acting in concert with the Acquirer for the purpose of this Open Offer. Some entities or persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations. However, neither such entities or persons nor any other entities or persons are acting in concert with the Acquirer for the purpose of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

1.6. Apart from being parties to the Terms of Agreement (*as defined below*), the Acquirer is not related to the PACs in any other manner.

1.7. As on the date of this DPS, (i) there are no directors representing the Acquirer on the board of the Target Company; and (ii) neither the Acquirer nor its directors or key managerial personnel have any shareholding or other interests in the Target Company.

1.8. As on the date of this DPS, the Acquirer has not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any other regulations made under the SEBI Act.

1.9. The key financial information of the Acquirer based on its audited standalone financial statements as of and for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, and audited consolidated financial statements as of and for the financial years ended March 31, 2020, audited by the independent statutory auditor of the Acquirer, and the standalone financial statements for the ten month period ended January 31, 2020, which has been subject to limited review by the independent statutory auditor of the Acquirer, is as set out below:

In INR lakh, except per share data

Particulars	As at and for the ten months ended January 31, 2021	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2019	As at and for the financial year ended March 31, 2018
	(Limited reviewed) (Standalone)	(Audited) (Consolidated)	(Audited) (Standalone)	(Audited) (Standalone)	(Audited) (Standalone)
Total Income	2,006.97	9,259.54	283.20	23.81	22.36
Net Income	1,999.55	2,789.12	(191.12)	16.45	8.33
Earning per share	7,996.59	65.24	(764.31)	65.80	33.31
Net worth/ Shareholder' Funds	1,48,203.83	1,15,953.55	1,14,807.63	1,297.55	1,026.10

***Notes**:*

Net worth / Shareholders' Funds include Share Capital and Reserves and Surplus.

2. Details of Mr Sanjay Chamria ("PAC 1")

2.1. Mr Sanjay Chamria (PAC 1), aged 56, is an Indian resident having his place of residence at 22/1 Belvedere Road, Kolkata – 700 027.

2.2. Apart from being parties to the Terms of Agreement (*as defined below*), PAC 1 is not related to the Acquirer in any other manner.

2.3. As on the date of the DPS, PAC 1 is the Vice Chairman and Managing Director of the Target Company. PAC 1 is a member of the promoter and promoter group of the Target Company (which collectively holds 24.39% of the Target Company's existing equity share capital). Further, PAC 1, along with his relatives, holds shares in bodies corporate which are members of the promoter and promoter group of the Target Company.

2.4. As on the date of this DPS, PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.5. Mr Kamal Khemka, Partner, Kamal Khemka & Co, Chartered Accountants (FRN: 327695E) has certified that the net worth of PAC 1 as on January 31, 2021 is INR 981.66 Lakh, *vide* certificate dated February 10, 2021.

3. Details of Mr Mayank Poddar ("PAC 2")

3.1. Mr Mayank Poddar (PAC 2), aged 67, is an Indian resident having his place of residence at 24, Park Street, Kolkata – 700 016.

3.2. Apart from being parties to the Terms of Agreement (*as defined below*), PAC 2 is not related to the Acquirer in any other manner.

3.3. As on the date of the DPS, PAC 2 is the Chairman Emeritus and a non-executive director of the Target Company. PAC 2 is a member of the promoter and promoter group of the Target Company (which collectively holds 24.39% of the Target Company's existing equity share capital). Further, relatives of PAC 2 hold shares in the Target Company and in bodies corporate which are members of the promoter and promoter group of the Target Company.

3.4. As on the date of this DPS, PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.5. Mr Chetan Gutgutia, Partner, ARSK & Associates, Chartered Accountants (FRN: 315082E) has certified that the net worth of PAC 2 as on January 31, 2021 is INR 1,687.21 Lakh, *vide* certificate dated February 10, 2021.

4. Details of Seller

Not applicable.

5. Details of Magma Fincorp Limited ("Target Company")

5.1. The Target Company is a public limited company incorporated on December 18, 1978 under the Companies Act, 1956. Its corporate identification number is L51504WB1978PLC031813. The name of the Target Company has not undergone any change in the last three years.

5.2. The registered office of the Target Company is located at Development House, 24, Park Street, Kolkata-700 016. Tel.: +91 (33) 4440 17350.

5.3. The Target Company is a non-deposit taking non-banking finance company ("**NBFC**") registered with the Reserve Bank of India ("**RBI**"). The Target Company, along with its subsidiaries and joint ventures, offers a bouquet of financial products including commercial finance, agri finance, SME finance, mortgage finance and general insurance, and is focused on the rural and semi-urban sectors.

5.4. The Equity Shares are listed on NSE (Symbol: MAGMA) and BSE (Security ID: MAGMA, Security Code: 524000). The ISIN of Equity Shares of the Target Company is INE511C01022. All the Equity Shares issued by the Target Company are listed with the Stock Exchanges, except for 25,200 equity shares, which have been allotted under Magma Employee Stock Option Plan 2007 and are in the process of being credited and listed.

5.5. The Equity Shares are frequently traded on the BSE and NSE for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations (*Further details provided in Part IV below (Offer Price)*).

5.6. The brief financial information of the Target Company based on its audited consolidated financial statements as of and for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, audited by the independent statutory auditor of the Target Company, the consolidated financial statements for the six month period ended September 30, 2020 and nine month period ended December 31, 2020, which has been subject to limited review by the independent statutory auditor of the Target Company, is as set out below:

In INR lakh, except per share data

Particulars	As at and for the nine months ended December 31, 2020[1]	As at and for the six months ended September 30, 2020[1]	As at and for the financial year ended March 31, 2020[1]	As at and for the financial year ended March 31, 2019[1]	As at and for the financial year ended March 31, 2018[2]
	(Limited Reviewed) (Consolidated)	(Limited Reviewed) (Consolidated)	(Audited) (Consolidated)	(Audited) (Consolidated)	(Audited) (Consolidated)
Total Income	1,76,835.95	1,17,254.82	2,56,287.78	2,51,339.06	2,29,858.65
Net Income (Profits after tax)	8,875.60	7,576.60	2,705.34	30,400.63	23,042.41
Earning per share (Basic)	3.29	2.81	1.00	11.33	9.72
Net worth/ Shareholder' Funds[2]	NA	2,83,034.28	2,74,799.88	2,74,388.79	2,31,949.85

Notes:

[1]*Prepared as per Indian Accounting Standards (IndAS).*

[2]*Prepared as per Indian Generally Accepted Accounting Standards (IGAAP).*

[3]*Net worth / Shareholders funds include Equity Share Capital and Other Equity*

6. Details of the Open Offer

6.1. This Offer is being made to the Public Shareholders of the Target Company under Regulation 3(1) and 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the Preferential Allotment (*as defined below*) and the Terms of Agreement (*as defined below*). (*Further details provided in Part II below (Background to the Open Offer)*).

6.2. This Open Offer is being made by the Acquirer and the PACs to all the Public Shareholders of the Target Company to acquire up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) Equity Shares ("**Offer Shares**"), constituting 26% (twenty six percent) of the Expanded Voting Share Capital ("**Offer Size**"), at a price of INR 70 /- (Indian Rupees seventy only) per Offer Share ("**Offer Price**"), which has been calculated in accordance with Regulation 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of INR 1391,82,47,350 (Indian Rupees one thousand three hundred and ninety one crore eighty two lakh forty seven thousand three hundred and fifty) ("**Maximum Open Offer Consideration**"), subject to the terms and conditions mentioned herein.

6.3. All the Equity Shares validly tendered by the Public Shareholders of the Target Company in this Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS, and those which will be set out in the letter of offer to be sent to all Public Shareholders in relation to this Offer ("**Letter of Offer**"). If the number of Equity Shares validly tendered by the Public Shareholders under the Open Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.

6.4. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

6.5. As on the date of this DPS, the Expanded Voting Share Capital is as follows:

MAGMA FINCORP	Number of shares	% of Expanded Voting Share Capital
Fully paid up Equity Shares as on date	26,96,16,712*	35.26%*
Partly paid up Equity Shares, outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants)	Nil	Nil
Equity shares proposed to be allotted pursuant to the preferential allotment approved by the board on February 10, 2021 (subject to other requisite approvals)	49,37,14,286	64.56%
Employee stock options ("ESOPs") vested or which shall vest prior to June 30, 2021	14,07,867	0.18%
Expanded Voting Share Capital	**76,47,38,865**	**100.00%**

** 25,200 Equity Shares have been allotted under Magma Employee Stock Option Plan 2007 and are in the process of being credited and listed. Pursuant to this allotment, the total number of equity shares of the Company stands increased to 26,96,16,712.*

6.6. As on the date of this DPS, there are no partly paid-up equity shares and no outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants) issued by the Target Company which are convertible into Equity Shares of the Target Company, apart from the ESOPs.

6.7. The Open Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.

6.8. The Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.9. As on the date of the DPS, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to acquire the Offer Shares that are validly tendered pursuant to the Open Offer and/or to complete the acquisition of Equity Shares by way of the Preferential Allotment (*as defined below*), save and except as set out in Part VI (*Statutory and Other Approvals*) of this DPS. However, in case any statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such statutory or other approval(s) being obtained.

6.10. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

6.11. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer: (a) in the event that any of the statutory approvals specified in this DPS as set out in Part VI (*Statutory and Other Approvals*) below or those which become applicable prior to completion of the Open Offer are finally refused; or (b) if any of the conditions under the Terms of Agreement (*as defined below*) as set out in paragraphs 4.1 and 4.2 of Part II (*Background to the offer*) below are not satisfied, for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

6.12. The Equity Shares will be acquired by the Acquirer as fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.

6.13. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit such approvals/exemptions along with the documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

6.14. Currently, the Acquirer does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company or its subsidiaries. If the Acquirer and the PACs intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.

6.15. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

6.16. The Manager does not hold any Equity Shares in the Target Company as on the date of this DPS. The Manager to the Open Offer further declares and undertakes not to deal on their account in the Equity Shares during the Open Offer period.

II. BACKGROUND TO THE OPEN OFFER

1. The board of directors of the Target Company ("**Board**") passed a resolution on February 10, 2021 ("**Board Resolution**"), authorizing the issue and allotment of Equity Shares by way of a preferential allotment for consideration in cash, at a price of INR 70/- (Indian Rupees seventy only) per Equity Share, subject to receipt of approval from the shareholders of the Target Company and subject to regulatory approvals, as applicable, in the following manner ("**Preferential Allotment**"):

1.1. 45,80,00,000 (forty five crore eighty lakh) Equity Shares, representing 60% (sixty percent) of the Post Issue Voting Share Capital and 59.89% (fifty nine point eight nine percent) of the Expanded Voting Share Capital, to the Acquirer ("**Acquirer Preferential Allotment**");

1.2. 1,78,57,143 (one crore seventy eight lakh fifty seven thousand one hundred and forty three) Equity Shares, representing 2.34% (two point three four percent) of the Post Issue Voting Share Capital and the Expanded Voting Share Capital, to PAC 1; and

1.3. 1,78,57,143 (one crore seventy eight lakh fifty seven thousand one hundred and forty three) Equity Shares, representing 2.34% (two point three four percent) of the Post Issue Voting Share Capital and the Expanded Voting Share Capital, to PAC 2.

(the proposed issue and allotment of Equity Shares by way of preferential allotment to PAC 1 and PAC 2, as detailed in paragraphs 1.2 and 1.3 above, shall hereinafter be referred to collectively as "**PACs Preferential Allotment**")

2. The details of the Preferential Allotment are set out in the binding Terms of Agreement executed by and between the Acquirer, the PACs and the Target Company on February 10, 2021 ("**Terms of Agreement**"). The Preferential Allotment and the Open Offer are collectively referred to as the "**Proposed Transaction**".

3. As a consequence of the Board Resolution and the Terms of Agreement, this Open Offer is a mandatory offer being made by the Acquirer and PACs in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011. Upon completion of the Preferential Allotment, the Acquirer will be the largest shareholder of and have a controlling stake in the Target Company, and shall be classified as a 'Promoter' of the Target Company in accordance with the applicable laws.

4. The following are the key terms of the Terms of Agreement:

4.1. The Acquirer Preferential Allotment and the PACs Preferential Allotment are to be undertaken simultaneously. The PACs Preferential Allotment is a precondition for the Acquirer Preferential Allotment. Either both the Acquirer Preferential Allotment and the PACs Preferential Allotment will be consummated or neither will be consummated.

4.2. The Preferential Allotment is subject to receipt of applicable statutory/ regulatory approvals and is to be completed within 15 days of receipt of the last of the statutory approvals.

4.3. Till the consummation of the Preferential Allotment, the Target Company may undertake the following actions only with the prior written consent of the Acquirer:

a. Make any changes to the compensation of its key managerial persons/ employee;
b. Grant or allot any options/ Equity Shares pursuant to its employee stock option schemes or otherwise;
c. Appoint any key managerial person; or
d. Enter into any related party transactions.

4.4. Upon consummation of the Preferential Allotment:

a. The Acquirer shall be classified as a promoter of the Target Company, collectively with the PACs and the entities presently classified as promoters and members of the promoter group of the Target Company ("**Existing Promoters**");
b. The Acquirer shall have the right to appoint the chairman of the Target Company ("**Chairman**");
c. The Board shall be reconstituted by the Chairman. The Board, led by the Chairman, may make such changes in the management of the Target Company as it may deem fit; and
d. The Target Company and its subsidiaries shall be renamed and rebranded under the brand name "Poonawalla Finance", subject to regulatory approvals.
e. The Target Company shall reconstitute the boards of directors of its subsidiaries and joint ventures, subject to the respective investment and joint venture agreements.

4.5. Mr Sanjay Chamria shall continue on the Board of the Target Company, its subsidiary and joint venture and shall be the Executive Vice Chairman of the Target Company for a period of 5 years from the date of completion of the Preferential Allotment, unless he decides to voluntarily retire/ relinquish the office or the shareholding of the Existing Promoters falls below 5% of the equity capital of the Target Company. Pursuant to this, the Existing Promoters shall be de-classified as promoters of the Target Company.

4.6. The Acquirer shall have a right of first offer in regard to any Equity Shares of the Target Company or any equity shares of Magma HDI General Insurance Company Limited proposed to be sold by any of the Existing Promoters to any third party.

4.7. The PACs, the Existing Promoters, Mr Harsh Chamria and/or any entity owned and controlled by any of them shall be subject to certain non-compete and non-solicitation obligations for specified periods after the date on which they cease to be associated with the Target Company. No separate consideration is being paid by the Acquirer in this regard.

4.8. Post the consummation of the Proposed Transaction, subject to compliance with applicable regulatory requirements, the Acquirer shall consolidate the business of Poonawalla Finance Private Limited with the Target Company and the loan book of Poonawalla Finance Private Limited shall be acquired by the Target Company at a fair value which is likely to be close to the book value.

5. The prime objective of the Acquirer for undertaking the Proposed Transaction is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. The Acquirer and PACs intend to position the Target Company for future growth and creation of value for its stakeholders. The Acquirer intends to nominate Mr Adar Poonawalla as the Chairman and Mr Abhay Bhutada as the Managing Director of the Target Company. Further, the Acquirer intends that the Target Company should appoint: (a) a professional Chief Executive Officer from the best in the industry with substantial experience in running financial services businesses; and (b) an experienced and professional Chief Operating Officer from the best in the industry.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and the PACs in the Target Company and the details of the acquisition are as follows:

Particulars	Acquirer		PAC 1		PAC 2	
	No of Equity Shares	Percentage (%)[1]	No of Equity Shares	Percentage (%)[1]	No of Equity Shares	Percentage (%)[1]
Shareholding as on the PA date	Nil	Nil	Nil	Nil	Nil	Nil
Equity Shares acquired between the date of the PA and the date of this DPS	Nil	Nil	Nil	Nil	Nil	Nil
Shareholding as of the date of this DPS	Nil	Nil	Nil	Nil	Nil	Nil
Equity Shares proposed to be acquired under the Preferential Allotment	45,80,00,000	59.89%	1,78,57,143	2.34%	1,78,57,143	2.34%
Equity Shares proposed to be acquired under the Open Offer [2]	19,88,32,105	26.00%	Nil	Nil	Nil	Nil
Proposed shareholding after the Preferential Allotment and the Open Offer[2]	65,68,32,105	85.89%	1,78,57,143	2.34%	1,78,57,143	2.34%

Notes:

[1] *As a percentage of the Expanded Voting Share Capital.*

[2] *Assuming full acceptance of the Open Offer.*

2. As on the date of this DPS, the Acquirer, its directors and the PACs do not hold any Equity Shares of the Target Company.

IV. OFFER PRICE

1. The Equity Shares are listed on NSE (Symbol: MAGMA) and BSE (Security ID: MAGMA, Security Code: 524000). The ISIN of Equity Shares of the Target Company is INE511C01022.

2. The trading turnover of the Equity Shares, on the Stock Exchanges during the twelve calendar months preceding the calendar month in which the public announcement was required to be made, i.e. from February 1, 2020 to January 31, 2021, is as set out below:

Stock Exchange	Number of Equity Shares traded ("A")	Total number of Equity Shares ("B")	Trading turnover (as % of total equity shares) (A/B)
BSE	4,59,96,652	26,96,16,712	17.06%
NSE	27,83,18,850	26,96,16,712	103.23%

(Source: www.bseindia.com and www.nseindia.com)

3. Based on the above, the Equity Shares of the Target Company are frequently traded on the Stock Exchanges in accordance with Regulation 2(1)(j) of the SEBI (SAST) Regulations.

4. The Offer Price in terms of Regulation 8(1) read with 8(2) of the SEBI (SAST) Regulations, as disclosed in the PA, is INR 70/- (Indian Rupees seventy) per Equity Share, being the highest of the following parameters:

SL. No.	Particulars	INR
A	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	INR 70.00
B	The volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	Not applicable
C	The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the public announcement	Not applicable
D	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	INR 50.02
E	Where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not applicable
F	The per share value computed under sub-regulation (5), if applicable.	Not applicable

***Source:** Certificate issued by Mr S M Patki, Partner, Patki & Soman, Chartered Accountants (FRN: 107830W), dated February 10, 2020*

5. The Offer Price of INR 70 per Offer Share represents the highest of the above parameters mentioned in the SEBI (SAST) Regulations. Mr S M Patki, Partner, Patki & Soman, Chartered Accountants (FRN: 107830W), *vide* their certificate dated February 10, 2020 have confirmed the aforementioned computation of the Offer Price.

6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this DPS up to 3 (three) working days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.

Contd.

7. In the event of any acquisition of Equity Shares by the Acquirer or the PACs during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer or the PACs shall not acquire any Equity Shares after the third (3rd) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.
8. As on the date of this DPS, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision.
9. If the Acquirer or the PACs acquires Equity Shares during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer and/or the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for the Open Offer, assuming full acceptance, i.e. for the acquisition of 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) Equity Shares, at the Offer Price of INR 70 (Indian Rupees seventy) is INR 1391,82,47,350 (Indian Rupees one thousand three hundred and ninety one crore eighty two lakh forty seven thousand three hundred and fifty).
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and the Manager have entered into an escrow agreement with Axis Bank Limited (acting through the Pune Main Branch located at F C Road, Pune – 411 004, the "**Escrow Agent**") on February 12, 2021 ("**Escrow Agreement**"), and the Acquirer has created an escrow account named "Rising Sun Holdings Private Limited – MFC Open Offer Escrow Account" ("**Escrow Account**") and a special escrow account named "Rising Sun Holdings Private Limited – MFC Open Offer Special Escrow Account" for the purpose of Regulation 21 of SEBI (SAST) Regulations ("**Special Escrow Account**").
3. By way of security for performance by the Acquirer of its obligations under the SEBI (SAST) Regulations, it has deposited INR 214,18,25,000 (Indian Rupees two hundred and fourteen crore eighteen lakh and twenty five thousand only) in the Escrow Account. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations, i.e. 25% (Twenty five percent) of the first INR 500,00,00,000 (Rupees five hundred crore only) of the Maximum Open Offer Consideration and 10% (Ten percent) of the remainder of the Maximum Open Offer Consideration.
4. The Acquirer has authorized the Manager to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
5. The sources of funds for the Acquirer are internal accruals and capital infusion. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, and the Acquirer is able to implement this Offer.
6. Mr S M Patki, Partner, Patki & Soman, Chartered Accountants (FRN: 107830W), *vide* their certificate dated February 10, 2020 certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill its obligations under the Open Offer.
7. Based on the aforesaid financial arrangements made by the Acquirer and on the confirmations received from Patki & Soman, Chartered Accountants, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
8. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. STATUTORY AND OTHER APPROVALS

1. As on the date of the DPS, to the best of the knowledge of the Acquirer and the PACs, the following are the statutory / regulatory approvals required by the Acquirer and the PACs to complete the acquisition of the Equity Shares under the Preferential Allotment and the Open Offer (collectively, "**Statutory Approvals**"):

1.1. approval from the Reserve Bank of India in terms of Notification No. DNBR.(PD) 029/CGM(CDS)-2015 dated July 09, 2015;

1.2. approval from the Reserve Bank of India and/ or the National Housing Bank for effecting change in control of Magma Housing Finance Limited, a wholly owned subsidiary of the Target Company, pursuant to the Proposed Transaction, in accordance with applicable law; and

1.3. approval from the Competition Commission of India (or such approval being deemed to have been granted) in accordance with the Indian Competition Act, 2002.

Except as mentioned above, as on the date of this DPS, to the best knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer and/ or the PACs to complete the Preferential Allotment and the Open Offer. However, in case any further statutory or other approval becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.

2. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit copies of such approvals/exemptions along with the documents required to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
3. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
4. In case of delay/non-receipt of any statutory approval which may be required by the Acquirer and/or the PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer and/or the PACs to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer: (a) in the event that any of the statutory approvals specified in this DPS as set out in Part VI (Statutory and Other Approvals) below or those which become applicable prior to completion of the Open Offer are finally refused; or (b) if any of the conditions under the Terms of Agreement (as defined below) as set out in paragraphs 4.1 and 4.2 of Part II (Background to the offer) below are not satisfied, for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITIES

No.	Activity	Schedule of activities (Day and date)[1]
1.	Date of PA	Wednesday, February 10, 2021
2.	Date of publication of this DPS	Wednesday, February 17, 2021
3.	Last date for filing of the draft letter of offer with SEBI	Thursday, February 25, 2021
4.	Last date for public announcement for competing offer(s)	Friday, March 12, 2021
5.	Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Friday, March 19, 2021
6.	Identified Date[2]	Tuesday, March 23, 2021
7.	Last date by which the letter of offer ("**Letter of Offer**"/ "**LOF**") is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Wednesday, March 31, 2021
8.	Last date for upward revision of the Offer Price and/or the size of the Open Offer	Tuesday, April 6, 2021
9.	Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Public Shareholders for this Open Offer	Tuesday, April 6, 2021
10.	Date of publication of opening of Open Offer public announcement in the newspapers in which this DPS has been published	Wednesday, April 7, 2021
11.	Date of commencement of the tendering period ("**Offer Opening Date**")	Thursday, April 8, 2021
12.	Date of closure of the tendering period ("**Offer Closing Date**")	Monday, April 26, 2021
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Monday, May 10, 2021
14.	Last date for filing the post-Open Offer report with SEBI	Tuesday, May 18, 2021
15.	Last date for publication of post-Open Offer public announcement in the newspapers in which this DPS has been published	Tuesday, May 18, 2021

[1] The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals, and may have to be revised accordingly.

[2] The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF will be sent. It is clarified that all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to the terms and conditions mentioned in this DPS and the LOF.

VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. All the Public Shareholders are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date ("**Tendering Period**") for this Open Offer.
2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e. the date falling on the 10th (Tenth) working day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
3. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are fully paid up and are free from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares that are validly tendered and accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof in accordance with the applicable law and the terms set out in the PA, this DPS and the Letter of Offer.
4. The Public Shareholders may also download the Letter of Offer from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer (detailed at Part IX (*Other Information*) of this DPS) on providing suitable documentary evidence of holding of the Equity Shares of the Target Company and their folio number, DP identity-client identity, current address and contact details.
5. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares agreed to be acquired in this Offer, the Acquirer shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.
6. The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended *vide* SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
7. BSE shall be the designated stock exchange ("**Designated Stock Exchange**") for the purpose of tendering Equity Shares in the Open Offer.
8. The Acquirer has appointed Axis Capital Limited ("**Buying Broker**") as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

AXIS CAPITAL	**AXIS CAPITAL LIMITED** 1st Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025, Maharashtra, India **Tel:** +91 22 4325 5577 **Fax:** +91 22 4325 5599 **E-mail:** qib@axiscap.in **Contact Person:** Mr. Sudhir Agarwal

9. Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers ("**Selling Broker**") within the normal trading hours of the secondary market, during the Tendering Period.
10. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. Before placing the bid, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited ("**Clearing Corporation**"), by using the settlement number and the procedure prescribed by the Clearing Corporation.
11. Shareholders who wish to bid /offer their physical shares in the Offer are requested to send their original documents as mentioned in the Letter of Offer to the Registrar to the Offer so as to reach them within 2 days from Offer Closing Date. It is advisable to first email scanned copies of the original documents mentioned in the Letter of Offer to the Registrar to the Offer and then send physical copies to the address of the Registrar to the Offer as provided in the LOF.
12. In the event the Selling Broker of a shareholder is not registered with BSE then that shareholder can approach the Buying Broker and tender the shares through the Buying Broker, after submitting the details as may be required by the Buying Broker in compliance with the SEBI regulations.
13. The cumulative quantity tendered shall be made available online to the market throughout the trading session at specific intervals by the Stock Exchanges during the tendering period on the basis of shares transferred to the special account of the Clearing Corporation.
14. The detailed procedure for tendering the Offer Shares in this Open Offer will be available in the Letter of Offer, which shall also be made available on the website of SEBI - www.sebi.gov.in.
15. Equity Shares should not be submitted/ tendered to the Manager, the Acquirer, the PACs or the Target Company.

IX. OTHER INFORMATION

1. The Acquirer, its directors in their capacity as directors of the Acquirer, and PACs accept the responsibility for the information contained in the PA and this DPS (other than as specified in Paragraph 2 below) and also for the obligations of the Acquirer and the PACs, respectively, laid down in the SEBI (SAST) Regulations in respect of the Open Offer.
2. The information pertaining to the Target Company contained in the PA or DPS or Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The Acquirer does not accept any responsibility with respect to any information provided in the PA or this DPS or the Letter of Offer pertaining to the Target Company.
3. In this DPS, all references to "INR" or "Indian Rupees" are references to Indian National Rupee(s).
4. This DPS and the PA shall also be available on SEBI's website (http://www.sebi.gov.in).

Issued on behalf of the Acquirer and the PACs by the Manager to the Offer	
AXIS CAPITAL	**AXIS CAPITAL LIMITED** 1st Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025, Maharashtra, India **Tel:** +91 22 4325 2183; **Fax:** +91 22 4325 3000 **E-mail:** magma.openoffer@axiscap.in **Contact Person:** Mr Ankit Bhatia **SEBI Registration No.:** INM000012029 **Validity Period:** Permanent
Registrar to the Offer	
LINK Intime	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 **Tel:** + 91 22 49186200; **Fax:** + 91 22 49186195; **Contact Person:** Sumeet Deshpande **Email:** magmafincorp.offer@linkintime.co.in **Website:** www.linkintime.co.in **SEBI Registration No.:** INR000004058

On behalf of **Rising Sun Holdings Private Limited** (Acquirer)

Sd/-
Name: Mr Adar Poonawalla
Title: Director

Mr Sanjay Chamria (PAC 1)

Sd/-

Mr Mayank Poddar (PAC 2)

Sd/-

Place: Pune

Date : February 16, 2021

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