

DRAFT LETTER OF OFFER

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

This draft letter of offer (“**Draft Letter of Offer**”/“**DLOF**”) is sent to you as a Public Shareholder (*as defined below*) of Magma Fincorp Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer / Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the LOF and the accompanying Form of Acceptance (*as defined below*) to the member of stock exchange through whom the said sale was effected.

RISING SUN HOLDINGS PRIVATE LIMITED

Registered Office: Sarosh Bhavan, 16-B/1, Dr. Ambedkar Road, Pune – 411 001; Tel: +91 (020) 2613 7221;
(hereinafter referred to as “**Acquirer**”)
along with

Mr SANJAY CHAMRIA

An individual residing at 22/1, Belvedere Road, Kolkata- 700027; Tel: +91 (033) 4001 0034;
(hereinafter referred to as “**PAC 1**”)
along with

Mr MAYANK PODDAR

An individual residing at “Park Centre”, 9th floor, 24, Park Street, Kolkata- 700016; Tel: +91 (033) 4001 0034;
(hereinafter referred to as “**PAC 2**”)

MAKE A CASH OFFER TO ACQUIRE UP TO 19,88,32,105 (NINETEEN CRORE EIGHTY EIGHT LAKH THIRTY TWO THOUSAND ONE HUNDRED AND FIVE) FULLY PAID UP EQUITY SHARES HAVING 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 THE TARGET COMPANY, AT A PRICE OF INR 70 (INDIAN RUPEES SEVENTY ONLY) PER EQUITY SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE PUBLIC SHAREHOLDERS OF



MAGMA FINCORP LIMITED

A public limited company incorporated under the Companies Act, 1956
Corporate Identity Number (CIN): L51504WB1978PLC031813

Registered Office: Development House, 24, Park Street, Kolkata - 700016; **Tel. No.:** +91 (033) 444017350; **Website:** www.magma.co.in

1. This Open Offer (*as defined below*) is being made by the Acquirer and the PACs pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this DLOF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to implement the Open Offer, save and except as set out in Paragraph 7.4 (*Statutory and other Approvals*) of this DLOF. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
5. The Acquirer and the PACs shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
6. In case of delay in receipt of any statutory approval(s) mentioned in Paragraph 7.4 of this DLOF or any other statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful 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. Further, if delay occurs on account of wilful default by the Acquirer and/ or the PACs in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
7. An upward revision to the Offer Price or to the Offer Size (*as defined below*), 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 (*as defined below*) has been published; and (iii) simultaneously notify the Stock Exchanges (*as defined below*), the SEBI and the Target Company at its registered office of such revision.
8. The Acquirer may withdraw the Open Offer in accordance with the condition specified in Paragraph 7.4.5 of this DLOF. In the event of a withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within 2 (Two) Working Days (*as defined below*) of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the DPS (*as defined below*) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such announcement will also be sent to SEBI, Stock Exchanges and the Target Company at its registered office.
9. Public Shareholders classified as OCBs (*as defined below*), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI (*as defined below*) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs (*as defined below*)) 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 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 such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
10. **There is no competing offer as on the date of this Draft Letter of Offer.**
11. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
12. Copies of the Public Announcement (“**PA**”) and the Detailed Public Statement (“**DPS**”) are available and copies of the DLOF and the LOF (including Form of Acceptance) (*as defined below*) are expected to be available on the website of Securities and Exchange Board of India (“**SEBI**”) at <http://www.sebi.gov.in>.

All future correspondence should be addressed to the Manager to the Offer/ Registrar to the Offer at the addresses mentioned below:

Manager to the offer	Registrar to the Offer
 Axis Capital Limited 1 st 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 Contact Person: Mr Ankit Bhatia E-mail: magma.openoffer@axiscap.in Website: www.axiscapital.co.in SEBI Registration Number: INM000012029 Validity Period: Permanent Registration	 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: Mr Sumeet Deshpande Email: magmafincorp.offer@linkintime.co.in Website: www.linkintime.co.in SEBI Registration No.: INR000004058 Validity Period: Permanent Registration

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date ⁽¹⁾	Day ⁽¹⁾
Date of the PA	February 10, 2021	Wednesday
Date of publication of the DPS	February 17, 2021	Wednesday
Date of filing of the DLOF with SEBI	February 25, 2021	Thursday
Last date for public announcement for competing offer(s)	March 12, 2021	Friday
Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	March 19, 2021	Friday
Identified Date ⁽²⁾	March 23, 2021	Tuesday
Last date by which the LOF is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	March 31, 2021	Wednesday
Last date for upward revision of the Offer Price and/ or the size of the Open Offer	April 6, 2021	Tuesday
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	April 6, 2021	Tuesday
Date of publication of opening of Open Offer public announcement in the newspapers in which the DPS has been published	April 7, 2021	Wednesday
Date of commencement of the tendering period (“Offer Opening Date”)	April 8, 2021	Thursday
Date of closure of the tendering period (“Offer Closing Date”)	April 26, 2021	Monday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	May 10, 2021	Monday
Last date for publication of post-Open Offer public announcement in the newspapers in which the DPS has been published	May 18, 2021	Tuesday
Last date for filing the post-Open Offer report with SEBI	May 18, 2021	Tuesday

(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.*

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER AND THE PACs

For capitalized terms used herein, please refer to the section on Definitions set out below.

A. Relating to the underlying transaction

- a. The underlying transaction is subject to conditions under the Terms of Agreement (*as defined below*) as set out in paragraphs 3.1.5(i) and 3.1.5(ii) of this DLOF. Further, the underlying transaction is subject to completion risks as would be applicable to similar transactions.

B. Relating to the Offer

- a. This Offer is an offer to acquire only up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) Equity Shares, representing 26% (twenty six percent) of the Expanded Voting Share Capital of the Target Company. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.
- b. 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 paragraph 7.4 (*Statutory and other Approvals*) of this DLOF 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 3.1.5(i) and 3.1.5(ii) of this DLOF are not satisfied, for reasons outside the reasonable control of the Acquirer.
- c. If, (a) there is delay in receipt of any applicable Statutory Approvals; (b) there is any litigation leading to a stay on the Open Offer; or (c) SEBI instructs the Acquirer to suspend the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approval(s) in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
- d. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and / or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation (*as defined below*) / Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- e. Non-resident and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including, without limitation, the approval from the RBI since the Equity Shares in this Offer may be acquired by a non-resident entity along with the resident entity) and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PACs reserve the right to reject such Equity Shares tendered in this Offer. Further, if 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 body) at the time of their original investment in respect of the Equity Shares held by them, they will be required to submit 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 such previous approvals and/or the relevant documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Public Shareholders should state that the Equity Shares are held under such general permission. Further, NRIs, OCBs, and entities incorporated outside India and which are owned and controlled by NRIs should clarify whether the Equity Shares are held on a repatriable basis or non-repatriable basis.

- f. This DLOF/ LOF, together with the DPS and the PA in connection with the Offer has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF/ LOF who are resident in jurisdictions outside India should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PACs or the Manager to the Offer to any new or additional registration requirements.
- g. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer or the PACs. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the LOF.
- h. The Acquirer, the PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer, the PACs or the Manager to the Offer in relation to the Open Offer. Notwithstanding the above, the Acquirer, the PACs and the Manager to the Offer do not accept responsibility for the statements made and information with respect to the Target Company (which has been sourced from publicly available sources), as set out in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer, the PACs or the Manager to the Offer. Anyone placing reliance on any other sources of information (not released by the Acquirer or the PACs) would be doing so at his / her / its own risk.

C. Relating to Acquirer and the PACs

- a. The Acquirer, the PACs and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Open Offer.
- b. The Acquirer, the PACs and Manager to the Offer make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- c. The Acquirer, the PACs and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d. 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. Any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.

- e. None of the Acquirer, the PACs or the Manager will be responsible in any manner for any loss of Offer acceptance documents during transit.
- f. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the PACs, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% (five percent) of the voting rights of the Target Company, the Acquirer / PACs may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
- g. The information pertaining to the Target Company contained in the PA or DPS or DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or publicly available sources. The Acquirer, the PACs and the Manager to the Offer do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirer and the PACs but are only indicative in nature. The risk factors set forth above pertain to the Open Offer and do not pertain to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for further risks with respect to their participation in the Open Offer.

DISCLAIMER FOR U.S. PERSONS

This DLOF does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America if such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

This DLOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

CURRENCY OF PRESENTATION

In this DLOF, all references to “Rupees” or “INR” are references to the Indian Rupee(s) (“INR”).

In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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FORM OF ACCEPTANCE AND SHARE TRANSFER FORM

1. DEFINITIONS

Acquirer	Rising Sun Holdings Private Limited
Board	Board of directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
Depositories	CDSL and NSDL
DLOF/ Draft Letter of Offer	This Draft Letter of Offer dated February 25, 2021 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DPS/ Detailed Public Statement	Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer and the PACs on February 17, 2021 in the newspapers mentioned in Paragraph 3.2.2 of this DLOF
DIN	Director Identification Number
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)	Fully paid up equity shares of Target Company of face value of INR 2 each
ESOPs	Employee stock options
Escrow Agreement	Escrow Agreement dated February 12, 2021 entered into between the Acquirer, Escrow Agent and Manager to the Offer
Escrow Agent	Axis Bank Limited
Expanded Voting Share Capital	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, 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.
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FII/FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GAAR	General Anti Avoidance Rules
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the LOF would be sent.
Income Tax Act	Income Tax Act, 1961
LOF/ Letter of Offer	Letter of Offer dated [●], duly incorporating SEBI's comments on the Draft Letter of Offer, and including the Form of Acceptance
Manager to the Offer/ Manager	Axis Capital Limited
N.A.	Not available
NOC	No Objection Certificate
NRI	Non-Resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer for acquisition of up to 19,88,32,105 Equity Shares being 26% of the Expanded Voting Share Capital of the Target Company at the Offer Price,

	payable in cash
Maximum Open Offer Consideration	The total funding requirement for this Offer, assuming full acceptance of this Offer, i.e. INR 1,391,82,47,350 (Indian Rupees One Thousand Three Hundred and Ninety One Crore Eighty Two Lakh Forty Seven Thousand Three Hundred and Fifty only)
Offer Price	INR 70/- (Indian Rupees seventy only) per Equity Share payable in cash
Offer Shares	Up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five only) Equity Shares
Offer Size	Up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five only) Equity Shares being 26% of the Expanded Voting Share Capital of the Target Company
PA/Public Announcement	Public announcement dated February 10, 2021 issued by the Manager on behalf of the Acquirer and the PACs, in connection with the Offer
PAC 1	Mr Sanjay Chamria
PAC 2	Mr Mayank Poddar
PACs	PAC 1 and PAC 2, collectively
Post Issue Voting Share Capital	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, 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	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.
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
Indian Rupees or INR	Indian Rupees
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Stock Exchanges	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited and the National Stock Exchange of India Limited
STT	Securities Transaction Tax
Target Company	Magma Fincorp Limited
Tendering Period	Period expected to commence from April 8, 2021 and closing on April 26, 2021, both days inclusive
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

Note: All capitalized terms used in this DLOF and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF MAGMA FINCORP LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND THE PACs OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER - AXIS CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 25, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

2.1. General Disclaimer

This DLOF together with the PA dated February 10, 2021 and the DPS that was published on February 17, 2021 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this DLOF and/or the LOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer and the PACs, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer or any persons deemed to act in concert with the Acquirer are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LOF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this DLOF and/or the LOF under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the PA, the DPS, this DLOF, the LOF and/or any other advertisement/ publication made or delivered in connection with the Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

- 3.1.1. The Open Offer is a mandatory offer 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*).
- 3.1.2. 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**”):

- (i) 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**”);
- (ii) 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
- (iii) 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 (i) and (ii) above, shall hereinafter be referred to collectively as “**PACs Preferential Allotment**”)

- 3.1.3. 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**”.
- 3.1.4. 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. Accordingly, as a consequence of the Board Resolution and the Terms of Agreement, this Open Offer is a mandatory offer being made by the Acquirer, along with the 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.
- 3.1.5. The following are the key terms of the Terms of Agreement:
 - (i) 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.
 - (ii) 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.
 - (iii) 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.
 - (iv) 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.
- (v) 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.
 - (vi) 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.
 - (vii) 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.
 - (viii) 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.
- 3.1.6. The Acquirer and/or the PACs have 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.
- 3.1.7. As on the date of this DLOF, there are no directors appointed by the Acquirer on the board of directors of the Target Company, and no directors of the Acquirer are on the board of directors of the Target Company. As on the date of this DLOF, PAC 1 is the Vice Chairman and Managing Director of the Target Company and PAC 2 is the Chairman Emeritus and a non-executive director of the Target Company.
- 3.1.8. As disclosed above, upon consummation of the Proposed Transaction, the Acquirer shall have the right to appoint the Chairman of the Target Company, and the Board shall be reconstituted by the Chairman. Further, the Board, led by the Chairman, may make such changes in the management of the Target Company as it may deem fit. In this regard, the Acquirer has expressed that it intends to nominate Mr Adar Poonawalla as the Chairman and Mr Abhay Bhutada as the Managing Director of the Target Company. Apart from the above, as on the date of this DLOF, no determination has been made as to the directors that are proposed to be appointed to or removed from the Board. 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.
- 3.1.9. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.
- 3.1.10. 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.

3.2. Details of the proposed Offer

- 3.2.1. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was made on February 10, 2021 to the Stock Exchanges and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.2. In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on February 17, 2021:

Newspapers	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Aajkal	Bengali	Kolkata
Navshakti	Marathi	Mumbai

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on February 17, 2021. The DPS is also available on the website of SEBI at www.sebi.gov.in.

- 3.2.3. 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.
- 3.2.4. The Offer Price is the price arrived at in accordance with Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, i.e. INR 70 (Indian Rupees Seventy only). 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.
- 3.2.5. As on the date of this DLOF, 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. There is no differential pricing for this Offer.
- 3.2.6. This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations. This Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 3.2.7. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company after the date of the PA, i.e. February 10, 2021 and up to the date of this DLOF.
- 3.2.8. All the Equity Shares validly tendered by the Public Shareholders of the Target Company in this Open Offer will be acquired by the Acquirer at the Offer Price in accordance with the terms and conditions set forth in the DPS and the LOF. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared from now on and hereafter. 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.
- 3.2.9. As on the date of this DLOF, 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, save and except as set out in Paragraph 7.4 (*Statutory and other Approvals*) of this DLOF. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained. Provided that 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.

3.3. Object of the acquisition/Offer

- 3.3.1. 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. As on the date of this DLOF, the Acquirer and the PACs intend to continue the existing business of the Target Company.
- 3.3.2. 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.

4. BACKGROUND OF THE ACQUIRER AND THE PACS

4.1. Rising Sun Holdings Private Limited (“Acquirer”)

- 4.1.1. 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.
- 4.1.2. The registered office of the Acquirer is located at Sarosh Bhavan, 16-B/1, Dr. Ambedkar Road, Pune – 411 001.
- 4.1.3. The Acquirer is primarily engaged in making investments, leasing property on rent and information sharing/business referencing to a certain entity.
- 4.1.4. 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. The remaining 0.01% of the equity share capital is held by Dr Cyrus Soli Poonawalla (in his capacity as the managing trustee of Cyrus Poonawalla Family Trust).
- 4.1.5. 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.
- 4.1.6. Apart from being parties to the Terms of Agreement (*as defined below*), the Acquirer is not related to the PACs in any other manner.
- 4.1.7. As on the date of this DLOF, the Acquirer 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.
- 4.1.8. Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, as on the date of this DLOF, are as follows:

Name	Qualifications & Experience	Date of Appointment/Re-appointment
Adar Cyrus Poonawalla Designation: Director DIN: 00044815	Qualifications: Bachelor of Business Administration - Finance from the United Kingdom Experience: Adar Cyrus Poonawalla is an entrepreneur with experience in the field of life saving vaccines and	10 September 2019

Name	Qualifications & Experience	Date of Appointment/Re-appointment
	therapeutics. He is a director of various companies, including Serum Institute of India Private Limited and Poonawalla Finance Private Limited.	
Saurabh Lakshman Prabhudesai Designation: Director DIN: 02424996	Qualifications: Bachelor of Commerce, Chartered Accountant from the Institute of Chartered Accountants of India, Grad CWA., Certified Information Systems Auditor Experience: Saurabh Lakshman Prabhudesai has experience in the field of finance, accounting and taxation for over 20 years. He was previously associated with Phillips India Limited and Whirlpool of India Limited as a commercial manager. He is a director of various companies, including Poonawalla Finance Private Limited.	10 September 2019
Hrishikesh Sharad Ponkshe Designation: Director DIN: 07543556	Qualifications: Bachelor of Commerce, cost accountant from the Institute of Cost Accountants of India. He has passed the intermediate level examination of Institute of Chartered Accountants of India. Experience: Hrishikesh Sharad Ponkshe has experience in the field of costing and accounting for over 20 years and specialises in project implementation and cost control. He was previously associated with Panorama Industries as an assistant manager, Crompton Greaves Consumer Electricals Limited as an internal auditor and Pennzoil Quaker State India Private Limited as a deputy manager.	22 December 2018
Narendra Gajanan Wadadekar Designation: Director DIN: 07543558	Qualifications: Bachelor of Commerce, Chartered Accountant from the Institute of Chartered Accountants of India Experience: Narendra Gajanan Wadadekar has experience in the field of finance, accounting & controlling and auditing and finalisation of accounts, consolidations, etc. for over 17 years. He was previously associated with, among others, Ferring Therapeutics Private Limited as an associate director, Zee Entertainment Enterprises Private Limited as an assistant vice president, Unity Telecom Infrastructure Private Limited as a general manager – finance accounts.	22 December 2018

- 4.1.9. As on the date of this DLOF, there are no directors representing the Acquirer on the board of the Target Company. The Acquirer, its directors and key managerial employees do not have any shareholding or interest in the Target Company.
- 4.1.10. Neither the Acquirer nor any of its directors or key managerial personnel have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.11. 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, 2021, 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

Profit & Loss Statement	As at and for the ten months ended January 31, 2021 ⁽¹⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2019 ⁽²⁾	As at and for the financial year ended March 31, 2018 ⁽²⁾
	(Limited reviewed) (Standalone)	(Audited) (Consolidated)	(Audited) (Standalone)	(Audited) (Standalone)	(Audited) (Standalone)
Income from operations	1,572.06	8,713.49	12.61	12.25	11.49
Other Income	497.02	546.05	270.59	11.56	10.87
Total Income	2,069.08	9,259.54	283.20	23.81	22.36
Total Expenditure	8.75	3,994.26	401.06	3.28	12.52
Profit Before Depreciation & Amortization, Interest and Tax	2,060.33	5,265.27	-117.86	20.53	9.84
Depreciation and Amortization	0.06	26.21	0.08	0.08	0.08
Interest	0.00	1,208.40	0.00	0.00	0.00
PBT before Extraordinary Gain / (Loss)	2,060.27	4,030.66	-117.94	20.45	9.76
Extraordinary Gain / (Loss)	0.00	0.00	0.00	0.00	0.00
PBT after Extraordinary Gain / (Loss)	2,060.27	4,030.66	-117.94	20.45	9.76
Provision for Tax	370.00	1,241.54	73.18	4.00	1.42
Profit After Tax	1,690.27	2,789.12	-191.12	16.45	8.33
Non-controlling interests	0.00	256.13	0.00	0.00	0.00
Profit(loss) attributable to owners of parent	1,690.27	892.41	-191.12	16.25	8.33

In INR lakh, except per share data

Balance Sheet Statement	As at and for the ten months ended January 31, 2021 ⁽¹⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2019 ⁽²⁾	As at and for the financial year ended March 31, 2018 ⁽²⁾
	(Limited reviewed) (Standalone)	(Audited) (Consolidated)	(Audited) (Standalone)	(Audited) (Standalone)	(Audited) (Standalone)
Sources of funds					
Paid up share capital	1,42,931.20	1,14,931.20	1,14,931.20	1,230.01	975.00
Reserves and Surplus	1,566.71	10,198.78	-123.57	67.55	51.09
Accumulated other comprehensive income	2,541.72	0.00	0.00	0.00	0.00
Net worth	1,47,039.62	1,25,129.97	1,14,807.63	1,297.55	1026.09
Secured loans	0.00	15,000.00	0.00	0.00	0.00

Unsecured loans	0.00	0.00	0.00	0.00	0.00
Other Non-Current Liabilities	841.07	1,058.44	0.00	0.00	0.00
Total	1,47,880.69	1,41,188.41	1,14,807.63	1,297.55	1026.09
Uses of funds					
Net fixed assets	3.14	370.37	3.20	3.28	3.36
Investments	1,46,613.12	64,650.52	1,14,606.29	1,084.67	936.36
Other Non-Current Assets	699.65	15,569.15	31.25	31.25	31.24
Net current assets	564.78	60,598.37	166.89	178.35	55.13
Total	1,47,880.69	1,41,188.41	1,14,807.63	1,297.55	1026.09

In INR lakh, except per share data

Other Financial Data	As at and for the ten months ended January 31, 2021 ⁽¹⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2020 ⁽²⁾	As at and for the financial year ended March 31, 2019 ⁽²⁾	As at and for the financial year ended March 31, 2018 ⁽²⁾
	(Limited reviewed) (Standalone)	(Audited) (Consolidated)	(Audited) (Standalone)	(Audited) (Standalone)	(Audited) (Standalone)
Basic Earnings Per Share	98.99	65.24	-764.31	65.80	33.31
Diluted Earnings Per Share	3.82	65.24	-764.31	65.80	33.31
Dividend per share	0.00	0.00	0.00	0.00	0.00
Dividends payout ratio (%)	NA	NA	NA	NA	NA

Notes:

(1) Prepared as per Indian Accounting Standards (IndAS);

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

4.1.12. As on date of this DLOF, the Acquirer does not have any major contingent liabilities.

4.2. Mr Sanjay Chamria (“PAC 1”)

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

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

4.2.3. As on the date of the DLOF, 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.

4.2.4. PAC 1 has been associated with the Target Company since 1993, and presently is the Vice Chairman and Managing Director of the Target Company. He leads the management team, drives new business initiatives and anchors strategic policy formulation and execution in the Target Company. PAC 1 is also a director of Magma Housing Finance Limited, a company whose debt securities are listed on Stock Exchanges. PAC 1 is not a whole time director of any other company.

4.2.5. As on the date of this DLOF, 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.

4.2.6. PAC 1 has not been categorized or declared: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank

of India; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

- 4.2.7. 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.

4.3. Mr Mayank Poddar (“PAC 2”)

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

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

- 4.3.3. As on the date of the DPS, 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.

- 4.3.4. PAC 2 has been associated with the Target Company since 1978, and presently is the Chairman Emeritus and a non-executive director of the Target Company. He directs the corporate governance operations, supports policy formulation and provides guidance to the Board and management of the Target Company. PAC 2 is not a director on the board of any other listed company or a whole time director of any company.

- 4.3.5. 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.

- 4.3.6. PAC 2 has not been categorized or declared: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

- 4.3.7. 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.

5. BACKGROUND OF THE 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 Target Company was incorporated under the name “ARM Group Enterprise Private Limited”. Subsequently, the Target Company changed its name to “Magma Leasing Limited” with effect from August 24, 1993, to “Magma Shrachi Finance Limited” with effect from June 19, 2007, and then to its present name, “Magma Fincorp Limited”, with effect from July 31, 2008. The registered office of the Target Company is located at Development House, 24, Park Street, Kolkata - 700 016. Tel.: +91 033 444017350.

- 5.2. The Target Company is a systemically important 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.

- 5.3. The existing equity share capital structure of the Target Company, as on the date of this DLOF, is as follows:

Paid up Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid up Equity Shares	26,96,16,712	100.00%
Partly paid up Equity Shares	-	-
Total paid up Equity Shares	26,96,16,712	100.00%
Total voting rights in Target Company	26,96,16,712	100.00%

- 5.4. As on the date of this DLOF, the Expanded Voting Share Capital is as follows:

Particulars	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%

- 5.5. 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. None of the Equity Shares of the Target Company are currently locked-in.
- 5.6. The Equity Shares are listed on BSE (Security Code: 524000) and NSE (Symbol: MAGMA). The ISIN of the Equity Shares of the Target Company is INE511C01022. The Equity Shares are frequently traded on the BSE and NSE (as on the date the public announcement pertaining to the Open Offer was required to be made), for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations (*Further details provided in Paragraph 6.1 below*).
- 5.7. The entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchanges and there are no outstanding Equity Shares of the Target Company that have been issued but not listed on the Stock Exchanges. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- 5.8. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years, except for the following:
- 5.8.1. The Target Company and Magma Advisory Services Limited (“**MASL**”) (an erstwhile wholly owned subsidiary of the Target Company) had filed a scheme of arrangement (“**Scheme 1**”), for the merger of MASL into the Target Company, with the Central Government through the Regional Director, Eastern Region, Ministry of Corporate Affairs (“**Regional Director**”), under Sections 230 to 233 and other applicable provisions, if any, of the Companies Act, 2013. RBI provided its no objection for Scheme 1 on August 2, 2017. The Regional Director *vide* its confirmation order dated January 15, 2018 (“**Effective Date of Scheme 1**”), approved Scheme 1. With effect from the Effective Date of Scheme 1 and operative from April 1, 2017, the entire business and undertaking(s) of MASL including all the debts, liabilities, duties and obligations and all assets of MASL have been transferred to Target Company. While the issued, paid up and subscribed share capital of MASL was cancelled pursuant to Scheme 1, the authorised share capital of MASL was combined with that of the Target Company. As a consequence of Scheme 1, Magma Housing Finance Limited, which was an indirect subsidiary of the Target Company held through MASL, has become a direct subsidiary of the Target Company.
- 5.8.2. The Target Company had filed the scheme of arrangement (“**Scheme 2**”), for the merger of Magma ITL Finance Limited (“**MITL**”) (an erstwhile wholly owned subsidiary of the Target Company), into the Target Company, with the National Company Law Tribunal, Kolkata Bench (“**NCLT**”), under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013. RBI provided its no objection for Scheme 2 on November 17, 2017. The NCLT through its order dated May 8, 2018 (“**Effective Date of Scheme 2**”) approved Scheme 2. With effect from the Effective Date of Scheme 2 and operative from October 1, 2017, the entire business and undertaking(s) including all the debts, liabilities, duties and obligations and all assets of MITL have been transferred to Target Company. While the issued, paid up and subscribed share capital of MITL MASL was cancelled pursuant to Scheme 2, the authorised share capital of MITL was combined with that of the Target Company.

- 5.9. Names, DIN, designation and date of appointment of the directors on the board of directors of the Target Company, are as follows:

Name	Director Identification Number (DIN)	Date of Appointment	Designation
Mayank Poddar (PAC 2)	00009409	December 18, 1978	Non-Executive Director
Sanjay Chamria (PAC 1)	00009894	January 1, 1995	Vice Chairman & Managing Director
Vijayalakshmi R Iyer	05242960	January 31, 2019	Non- Executive - Independent Director
Bontha Prasada Rao	01705080	December 10, 2019	Non- Executive - Independent Director
Sunil Chandiramani	00524035	December 10, 2019	Non- Executive - Independent Director

As on the date of this DLOF, there are no directors representing the Acquirer and none of the directors of the Acquirer have been appointed as directors on the board of directors of the Target Company.

- 5.10. The key financial information about the Target Company, as submitted by the Company to the Stock Exchanges and based on its audited consolidated financial statements 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, and its unaudited consolidated financial statements for the six month period ended September 30, 2020 and nine month period ended December 31, 2020, reviewed by the independent statutory auditor of the Target Company, is as set out below:

In INR lakh, except per share data

Profit & Loss Statement	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)
Income from Operations	174,908.06	115,975.13	251,343.29	245,453.49	224,205.29
Other Income	1,927.89	1,279.69	4,944.29	5,885.57	5,653.36
Total Income	176,835.95	117,254.82	256,287.78	251,339.06	229,858.65
Total Expenditure	166,067.58	108,174.67	248,009.32	207,169.39	198,053.03
Profit before Depreciation, Interest and Tax	100,023.50	70,014.62	145,139.63	161,439.46	127,274.12
Depreciation	4,261.24	2,904.29	7,478.99	5,046.39	4,922.45
Interest	84,993.89	58,030.18	129,382.18	1,12,223.40	90,546.05
Share of Profit/(Loss) of Joint Ventures	712.97	664.94	(100.72)	66.42	
Profit before Tax	11,481.34	9,745.09	8,177.74	44,236.09	31,805.62
Provision for Tax	2,605.74	2,168.49	5,472.40	13,835.46	8,763.21
Profit After Tax	8,875.60	7,576.60	2,705.34	30,400.63	23,042.41

In INR lakh, except per share data

Balance Sheet Statement	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)
Sources of Funds					
Paid up Share Capital	NA	5,390.50	5,390.31	5,386.48	4,740.57
Reserves and Surplus (excluding revaluation reserves)	NA	2,77,643.78	2,69,409.57	2,69,002.31	2,27,209.28
Net Worth	NA	2,83,034.28	2,74,799.88	2,74,388.79	2,31,949.85
Other Non-Current Liabilities	NA	0.00	0.00	0.00	2,89,600.43
Other Current Liabilities	NA	0.00	0.00	0.00	8,48,576.36
Other Financial Liabilities	NA	12,01,045.50	12,39,530.58	13,94,941.43	0.00
Other Non-Financial Liabilities	NA	20,210.76	9,641.06	9,597.75	0.00
Total	NA	15,04,290.54	15,23,971.52	16,78,927.97	13,70,126.64
Uses of Funds					
Net Fixed Assets	NA	17,585.41	19,274.31	20,299.41	20,036.64
Investments	NA	18,554.32	15,059.88	14,114.65	64,851.79
Other Financial Assets	NA	14,39,289.77	14,58,890.62	16,16,056.34	0.00
Other Non-Financial Assets	NA	28,861.04	30,746.71	28,457.57	0.00
Other Non-Current Assets	NA	0.00	0.00	0.00	8,39,478.24
Other Current Assets	NA	0.00	0.00	0.00	4,45,759.97
Total	NA	15,04,290.54	15,23,971.52	16,78,927.97	13,70,126.64

In INR lakh, except per share data

Other Financial Data	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 Revenue	1,76,835.95	1,17,254.82	2,56,287.78	2,51,339.06	2,29,858.65
Net Income (PAT)	8,875.60	7,576.60	2,705.34	30,400.63	23,042.41
EPS - Basic	3.29	2.81	1.00	11.33	9.72
EPS- Diluted	3.29	2.81	1.00	11.31	9.70
Networth/ Shareholder's Funds	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 Income as per I-GAAP and Ind AS is considered as PAT and EPS is categorized into Basic and Diluted.

- (4) As per I-GAAP Total Income from Operations cover Revenue from operation and Operating result from General Insurance Business.
- (5) Added Share of Profit/Loss of Joint Ventures row in Profit & Loss Statement to match Profit before depreciation, interest and tax for Ind AS. As per I-GAAP share of Profit of Joint Ventures is included in Other Income.
- (6) As per I-GAAP Reserve and Surplus includes fair value change account.
- (7) As per Ind AS there is no concept of Current and Non –Current therefore bifurcation is done on the basis of Financial and Non Financial Assets and Liabilities whereas I-GAAP covers Current and Non Current classification.
- (8) As per I-GAAP Investment includes both Current and Non current Investment therefore deducted from Current and Non Current assets respectively

5.11. The Pre and post Offer Shareholding Pattern of the Target Company as on February 19, 2021, assuming full acceptances is as provided below:

Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽²⁾	No. of Equity Shares	% ⁽²⁾	No. of Equity Shares	% ⁽²⁾
1 Promoters/ Promoter group								
A Promoters/ promoter group, other than 2B and 2C below	6,57,52,083	24.26%	-	-	-	-	6,57,52,083	8.60%
Total 1	6,57,52,083	24.26%	-	-	-	-	6,57,52,083	8.60%
2 Acquirer and PACs								
A Acquirer	-	-	45,80,00,000	59.89%	19,88,32,105	26.00%	65,68,32,105	85.89%
B PAC 1	-	-	1,78,57,143	2.34%	-	-	1,78,57,143	2.34%
C PAC 2	-	-	1,78,57,143	2.34%	-	-	1,78,57,143	2.34%
Total 2 (A+B+C)	-	-	49,37,14,286	64.56%	19,88,32,105	26.00%	69,25,46,391	90.56%
3 Parties to agreement (other than under 1 or 2)	-	-	-	-	-	-	-	-
4 Public (other than under 1, 2 and 3)								
A FIs/ MFs/ FPIs/ Banks, SFIs, others	14,80,88,143	54.64%	-	-	(19,88,32,105)	(26.00)%	64,40,391	0.84%
B Others	5,57,76,486	20.58%	-	-				
C ESOPs considered for determining Expanded Voting Share Capital	14,07,867	0.52%	-	-				
Total 4 (A+B+C)	20,52,72,496	75.74%	-	-	(19,88,32,105)	(26.00)%	64,40,391	0.84%
Grand Total (1+2+3+4)	27,10,24,579	100.00%	-	-	-	-	76,47,38,865	100.00%

Notes:

- (1) As a percentage of the total issued and paid up equity share capital of the Target Company as on date of this DLOF, i.e. 26,96,16,712 Equity Shares, along with 14,07,867 ESOPs considered for determining the Expanded Voting Share Capital.
- (2) As a percentage of the Expanded Voting Share Capital.

The number of shareholders in the “public category” as on February 19, 2021 is 29,903.

5.12. The Acquirer and/or the PACs have not acquired any Equity Shares of the Target Company after the date of PA, i.e. February 10, 2021 and up to the date of this DLOF.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

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

6.1.2. 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)

6.1.3. 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.

6.1.4. 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, 2021

6.1.5. 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, 2021 have confirmed the aforementioned computation of the Offer Price.

6.1.6. 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.

- 6.1.7. 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.
- 6.1.8. As on the date of this DLOF, 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.
- 6.1.9. 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.

6.2. Financial Arrangements

- 6.2.1. 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).
- 6.2.2. 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**”).
- 6.2.3. 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.
- 6.2.4. 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.
- 6.2.5. 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.
- 6.2.6. Mr S M Patki (Membership no. 037315), Partner, Patki & Soman, Chartered Accountants (FRN: 107830W), 101/102, Parmesh Plaza, 1213, Sadashiv Peth, Near Hatti Ganpati, Pune – 411 030, Tel:

24456748, *vide* their certificate dated February 10, 2021 certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill its obligations under the Open Offer.

- 6.2.7. 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.
- 6.2.8. 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.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational Terms and Conditions

- 7.1.1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Thursday, April 8, 2021 and close on Monday, April 26, 2021.
- 7.1.2. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time from the commencement of the Tendering Period but prior to the Offer Closing Date. Subject to the receipt of the statutory approvals as specified in paragraph 7.4 of this DLOF, the Acquirer has up to 10 Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.3. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.4. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Equity Shares tendered under this Offer shall be fully paid up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.5. The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer, which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 7.1.7. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.8. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
- 7.1.9. Copies of PA and DPS are available on the website of SEBI at www.sebi.gov.in and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI at www.sebi.gov.in.
- 7.1.10. The Identified Date for this Offer as per the schedule of activities is Thursday, March 23, 2021.

- 7.1.11. The LOF shall be sent (through e-mail or physical mode) to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.linkintime.co.in), the Stock Exchanges (www.bseindia.com; www.nseindia.com) or the Manager to the Offer (www.axiscapital.co.in).
- 7.1.12. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the Closure of the Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.13. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 7.1.14. None of the Acquirer, the PACs, the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.15. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of this DLOF.
- 7.2. **Locked-in Equity Shares**
- The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.
- 7.3. **Eligibility for accepting the Offer**
- 7.3.1. All Public Shareholders, registered or unregistered, who hold Equity Shares at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in Paragraph 7.4 of this DLOF).
- 7.3.2. 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 LOF, may also participate in this Open Offer. No indemnity shall be required from the unregistered shareholders.
- 7.4. **Statutory and other Approvals**
- 7.4.1. As on the date of the DLOF, 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**"):

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

- 7.4.2. 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.
- 7.4.3. 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.
- 7.4.4. 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.
- 7.4.5. 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 paragraph 7.4 (*Statutory and other Approvals*) of this DLOF 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 3.1.5(i) and 3.1.5(ii) of this DLOF 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.
- 7.4.6. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (Ten) Working Days from the Offer Closing Date to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1. All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.2. The BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer ("**Designated Stock Exchange**").

8.3. Procedure for acceptance and settlement of the Offer

- 8.3.1. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by BSE 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 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
- 8.3.2. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to the Open Offer shall be available on BSE in the form of a separate Acquisition Window.
- 8.3.3. 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 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: gib@axiscap.in
Contact Person: Mr Sudhir Agarwal

- 8.3.4. Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”) during the normal trading hours of the secondary market during the Tendering Period.
- 8.3.5. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.
- 8.3.6. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the Offer Opening Date.
- 8.3.7. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
- 8.3.8. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker viz. Axis Capital Limited, to bid by using quick UCC facility. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) / Axis Capital Limited may have to submit following details:

(i) In case of Public Shareholder being an individual:

- a. If Public Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:
- Central Know Your Client (“**CKYC**”) form including Foreign Account Tax Compliance Act (“**FATCA**”), In Person Verification (“**IPV**”), Original Seen and Verified (“**OSV**”) if applicable
 - Know Your Client (“**KYC**”) form documents required (all documents self-attested):
 - Bank details (cancelled cheque)

- Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- b. If Public Shareholder is not registered with KRA: Forms required:
 - CKYC form including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - Permanent Account Number (“**PAN**”) card copy
 - Address proof
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

It may be noted, that other than submission of above forms and documents, in person verification may be required.

(ii) In case of Public Shareholder, being a Hindu Undivided Family (“**HUF**”):

- a. If Public Shareholder is registered with KRA: Forms required:
 - CKYC form of karta including FATCA, IPV, OSV if applicable
 - KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- b. If Public Shareholder is not registered with KRA: Forms required:
 - CKYC form of karta including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

It may be noted that, other than submission of above forms and documents, in person verification may be required.

(iii) In case of Public Shareholder other than Individual and HUF:

- a. If Public Shareholder is KRA registered: Form required
 - KYC form documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/authorised signatories/partners/trustees
 - Latest shareholding pattern
 - Board resolution
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
- b. If Public Shareholder is not KRA registered: Forms required:
 - KRA form
 - KYC form documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/authorised signatories /partners/trustees
 - PAN card copies & address proof of directors/authorised signatories/ partners/trustees
 - Latest shareholding pattern

- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- Memorandum of association/partnership deed /trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required.

It may be noted that the above-mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.3.9. The cumulative quantity tendered shall be displayed on BSE's website (www.bseindia.com) throughout the trading session at specific intervals by BSE during the Tendering Period.

8.3.10. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.

8.4. Procedure for tendering Equity Shares held in Dematerialised Form

8.4.1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

8.4.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.

8.4.3. The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.

8.4.4. Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.

8.4.5. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.

8.4.6. For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

8.4.7. The duly filled in Delivery Instruction Slips ("DIS") specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer.

8.4.8. For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.

8.4.9. **The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.**

8.4.10. All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “Magma Fincorp Limited Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

8.5. **Procedure for tendering the Equity Shares held in physical form**

As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

8.5.1. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder’s PAN Card, (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.

8.5.2. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the ‘Register of Members’ of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.

8.5.3. Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.

8.5.4. The Selling Broker/ Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post / speed post or courier or hand delivery to the Registrar to the Offer i.e. Link Intime India Private Limited (at the following address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India) within 2 (two) days of bidding by the Selling Broker i.e. by April 28, 2021 (by 5.00 p.m. (IST)). The envelope should be super scribed as “Magma Fincorp Limited Open Offer”. 1 (one) copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker / Public Shareholder.

8.5.5. The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares in physical form shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as ‘unconfirmed physical bids’. Once the Registrar confirms the bids, they will be treated as ‘confirmed bids’.

- 8.5.6. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company.
- 8.5.7. In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of having the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.

8.6. Procedure for tendering the shares in case of non-receipt of LOF:

- 8.6.1. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer.
- 8.6.2. A Public Shareholder may participate in the Open Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF and the Form of Acceptance.
- 8.6.3. The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified Date. A Public Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at magmafinincorp.offer@linkintime.co.in or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may (i) download the same from the SEBI website (www.sebi.gov.in) and can apply by using the same; or (ii) obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the registrar's website www.linkintime.co.in.
- 8.6.4. Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Open Offer.

8.7. Acceptance of Shares

- 8.7.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 8.7.2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.
- 8.7.3. In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.8. Settlement Process

- 8.8.1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to BSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- 8.8.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.8.3. The Public Shareholders holding shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.
- 8.8.4. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/ relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 8.8.5. In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 8.8.6. The Public Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.
- 8.8.7. Excess Equity Shares in dematerialized form or unaccepted Equity Shares in dematerialized form, if any, tendered by the Public Shareholders would be released to them by the Clearing Corporation.
- 8.8.8. The direct credit of Equity Shares shall be given to the demat account of Acquirer as indicated by the Buying Broker.
- 8.8.9. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.
- 8.8.10. In case of partial or non-acceptance of orders, the balance Equity Shares in dematerialized form shall be returned directly to the demat accounts of the Public Shareholders by the Clearing Corporation. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/ restricted from being transferred pursuant to any pending court cases / attachment orders / restriction from other statutory authorities; are liable to be rejected unless directions/ orders of an appropriate court/ tribunal/ statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
- 8.8.11. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
- 8.8.12. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer and/or the PACs. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.8.13. Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer

(secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

- 8.9. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations, 2011.

9. NOTE ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE FOLLOWING OVERVIEW IS NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.

THE LAW STATED BELOW IS AS PER THE IT ACT AS AMENDED UPTO FINANCE ACT, 2020.

9.1. General:

- 9.1.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.
- 9.1.2. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- 9.1.3. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- 9.1.4. Accordingly, since the Target Company is incorporated in India, the Target Company's shares are deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- 9.1.5. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") as impacted by the Multilateral Instrument (if applicable) between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the IT Act.
- 9.1.6. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- 9.1.7. All references to equity shares herein refer to listed equity shares unless stated otherwise.

9.2. Classification of Shareholders

Shareholders can be classified under the following categories:

9.2.1. Resident Shareholders being:

- (i) Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
- (ii) Others

9.2.2. Non-Resident Shareholders being:

- (i) Non-Resident Indians (“NRIs”)
- (ii) Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- (iii) Others:
 - a. Company
 - b. Other than company

9.3. Classification of Shares

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“**CBDT**”). The nature of gains/loss in the foregoing cases will be as under:

9.3.1. Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”

9.3.2. Shares held as stock-in-trade: Income arising from transfer taxable under the head "Profits and Gains from Business or Profession”

9.4. Taxability of Capital Gains in the hands of the Shareholders:

9.4.1. Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

9.4.2. Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

Short-term Capital Asset (“**STCA**”): Equity shares held for less than or equal to 12 months

Long-term Capital Asset (“**LTCA**”): Equity share held for more than 12 months

9.4.3. Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“**STCG**”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“**LTCG**”).

9.4.4. As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“**STT**”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT *vide* Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.

9.4.5. Such LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act.

9.4.6. STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no

deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.

9.4.7. As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

9.4.8. Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.

The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

9.4.9. As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

9.4.10. Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

9.4.11. Additional information in case of Foreign Institutional Investors (“**FII**s”):

- (i) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
- (ii) The provisions of Indirect transfer in terms of Explanation 5 to Section 9 of the IT Act do not apply to non-resident investors in FIIs referred to in Section 115AD and Category-I and Category-II Foreign Portfolio Investor (“**FPI**”) registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
- (iii) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,
- (iv) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.

Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not allowed while computing the Capital Gains.

- (v) The above rates are to be increased by applicable surcharge and cess.
- (vi) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (vii) The CBDT has *vide* Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

9.4.12. Additional Information in case of Non-resident Indians (“**NRI**s”):

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the

option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

- (i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- (ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
- (iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- (iv) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

9.4.13. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.

9.4.14. Investment Funds:

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

9.4.15. Mutual Fund

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

9.5. **Taxability of Business Income in the hands of the Shareholders:**

9.5.1. Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.

9.5.2. In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

9.5.3. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.

9.6. Withholding Tax implications:

9.6.1. Remittance/Payment of Consideration

(i) Resident shareholders:

In the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.

(ii) Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

(iii) Non-resident shareholders (other than FIIs):

Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately.

9.6.2. Remittance/Payment of Interest

- (i) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirer will deduct TDS at the applicable rates in accordance with the provisions of the IT Act, so long as a Permanent Account number (“**PAN**”) is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act. The provisions of Section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:

- a. name, e-mail id, contact number;
- b. address in the country or specified territory outside India of which the shareholder is a resident;
- c. Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
- d. Tax Identification Number/ Unique Identification Number of the shareholder.

- (ii) The TDS on interest payment as mentioned above is subject to the following exemptions:

a. Resident shareholders:

- There will be no TDS if interest payable does not exceed Rs 5,000/-
- There will be no TDS on interest payable to the following parties:

- any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
- any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
- any financial corporation established by or under a Central, State or Provincial Act;
- the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
- the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and
- any company or co-operative society carrying on the business of insurance.
- There will be no TDS in the case of a SEBI registered mutual fund as per Section 10(23D) of the IT Act;
- There will be no TDS for any entity which is exempted as such by any notification issued under Section 197A (1F) of the IT Act;
- Nil or lower rate of TDS (as applicable) will be applied if the shareholder furnishes a certificate from the Income tax authorities under Section 197 of the IT Act

b. Non-resident shareholders:

Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted in accordance with Paragraph 9.6.2(iii).

- (iii) Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer, the Acquirer will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.

9.7. Documents to be provided alongwith the Form of Acceptance:

9.7.1. Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:

- (i) Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer;
- (ii) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
- (iii) Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
- (iv) SEBI registration certificate as a mutual fund;
- (v) Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act; and
- (vi) SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the IT Act.

9.7.2. Non- resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:

- (i) Self-attested copy of PAN Card; or
 - a. name, e-mail id, contact number;

- b. address in the country or specified territory outside India of which the shareholder is a resident;
 - c. Tax Residency Certificate;
 - d. Form 10F; and
 - e. Tax Identification Number/ Unique Identification Number of the shareholder.
- (ii) Tax Residency Certificate;
 - (iii) Form 10F;
 - (iv) Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
 - (v) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
 - (vi) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
 - (vii) SEBI registration certificate for FII and FPI.

9.8. Tax Deduction Certificate

The Acquirer will issue a certificate in the prescribed form to the shareholders (resident and non-resident) who have been paid the consideration or interest, if any, after deduction of tax on the same, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-tax Rules, 1962 made thereunder.

9.9. Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

9.9.1. Surcharge

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.
- (ii) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- (iii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.
- (iv) In case of individuals, HUF, AOP, BOI:
 - a. Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.
 - b. Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.
 - c. Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.
 - d. Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.
 - e. However, for the purpose of income chargeable under section 111A, 112A and 115AD (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.

- (v) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

9.9.2. Cess

Health and Education Cess @ 4% is currently leviable in all cases.

9.10. Others

- 9.10.1. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- 9.10.2. The tax deducted by the Acquirer and/or the PACs while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- 9.10.3. The Acquirer and/or the PACs will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- 9.10.4. The Acquirer and/or the PACs, and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM TIME TO TIME.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED

STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER AND THE PACS DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

10. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Public Shareholders of the Target Company at the office of the Manager to the Offer - Axis Capital Limited at 1st floor, Axis House, C-2 Wadia International P.B Marg, Worli, Mumbai - 400 025 on any Working Day (except Saturdays and Sundays) between 10.30 am to 5.00 pm during the Tendering Period:

- 10.1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer and the Target Company;
- 10.2. Copy of the Terms of Agreement executed between the Acquirer, PACs, and the Target Company on February 10, 2021;
- 10.3. Copies of the audited standalone financial statements of the Acquirer 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 of the Acquirer for the ten month period ended January 31, 2020, which has been subject to limited review by the independent statutory auditor of the Acquirer;
- 10.4. Copies of the annual reports of the Target Company for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, and the unaudited consolidated financial statements for the six month period ended September 30, 2020 and nine month period ended December 31, 2020, reviewed by the independent statutory auditor of the Target Company;
- 10.5. Copy of the certificate dated February 10, 2021, issued by Mr S M Patki, Patki & Soman, Chartered Accountants (FRN: 107830W), certifying the adequacy of financial resources of the Acquirer to fulfill the Offer obligations;
- 10.6. Copy of the certificate dated February 10, 2021, issued by Mr S M Patki, Patki & Soman, Chartered Accountants (FRN: 107830W) certifying the computation of the Offer Price;
- 10.7. Copy of the certificate dated February 10, 2021 issued by Mr Kamal Khemka, Partner, Kamal Khemka & Co, Chartered Accountants (FRN: 327695E) certifying the net worth of PAC 1 as on January 31, 2021;
- 10.8. Copy of the certificate dated February 10, 2021 issued by Mr Chetan Gutgutia, Partner, ARSK & Associates, Chartered Accountants (FRN: 315082E) certifying the net worth of PAC 2 as on January 31, 2021;
- 10.9. Copy of the Escrow Agreement dated February 12, 2021 entered into between the Acquirer, the Escrow Agent and the Manager to the Offer;
- 10.10. Copy of the letter received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Escrow Account on February 12, 2021;
- 10.11. Copy of PA dated February 10, 2021, the DPS published in the newspapers on February 17, 2021 and the offer opening public announcement;
- 10.12. Copy of the recommendation published by the committee of independent directors of the Target Company in relation to the Offer; and
- 10.13. Copy of SEBI Observation letter no. [●], dated [●], in regard to the DLOF.

11. DECLARATION BY THE ACQUIRER AND THE PACS

- 11.1. The Acquirer, its directors in their capacity as directors of the Acquirer, and PACs accept the responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in Paragraph 11.3 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.
- 11.2. The Acquirer and the PACs shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 11.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or the LOF 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, which have not been independently verified by the Acquirer, the PACs or the Manager. The Acquirer and the PACs do not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF or the LOF pertaining to the Target Company.

EXECUTED by the Acquirer and the PACs

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

Mr Sanjay Chamria
(PAC 1)

Mr Mayank Poddar
(PAC 2)

Sd/-

Sd/-

Sd/-

Name: Mr Adar Poonawalla
Title: Director

Place: Pune
Date: February 25, 2021

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Public Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance unless required by their respective selling broker.]

MAGMA FINCORP LIMITED

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the letter of offer dated [●], 2021 (“LOF”))

From	
Name:	
Address:	
Tel. No:	
Fax:	
Email:	

TENDERING PERIOD FOR THIS OPEN OFFER	
OPEN OFFER OPENS ON	[●], [●], 2021
OPEN OFFER CLOSES ON	[●], [●], 2021

To,
The Acquirer
C/o Link Intime India Private Limited
C-101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel : + 91 22 49186200
Email: magmafincorp.offer@linkintime.co.in

Dear Sirs,

Sub: 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”) of Magma Fincorp Limited (“Target Company”) from the Public Shareholders of the Target Company by Rising Sun Holdings Private Limited (“Acquirer”) together with Mr. Sanjay Chamria (PAC 1) and Mr. Mayank Poddar (PAC 2), as the Persons Acting in Concert with the Acquirer (“PACs”) (“Offer” / “Open Offer”).

I / We refer to the LOF dated [●], 2021 for acquiring the Equity Shares held by me / us in the Target Company.

I / We, the undersigned, have read the PA, the DPS, LOF, and the issue opening public announcement, and understood their contents, including the terms and conditions mentioned therein, and unconditionally accept the same.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Details of Public Shareholder:

Name (in BLOCK LETTERS)	Holder	Name of the Public Shareholder(s)	Permanent account Number
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s)/demat account)	Sole/First		
	Second		
	Third		
Contact number(s) of the first holder	Tel No. (with ISD/STD Code):		Mobile Number:
Full address of the first holder (with pin code)			
Email address of first holder			
Date and place of incorporation (if applicable)			

FOR ALL PUBLIC SHAREHOLDERS

1. I / We confirm that the Offer Shares which are being tendered herewith by me / us under this Open Offer, are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
2. I / We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.
3. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are sold and transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer and the PACs, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.
4. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
5. I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
6. I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.
7. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
8. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer and/or the PACs.
9. I / We give my/our consent to the Acquirer and/or the PACs to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
10. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LOF.
11. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and/or the PACs to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.
12. I / We are / am not debarred from dealing in shares or securities.
13. I / We confirm that there are no taxes or other claims pending against me / us which may affect the legality of the transfer of Offer Shares under the Income Tax Act 1961, including but not limited to Section 281 of the Income Tax Act 1961. I / We confirm that no notice has been issued by the Income-tax authorities impacting the rights to transfer the shares.
14. I / We note and understand that the Offer Shares will be held by the Registrar to the Offer/ Clearing Corporation in trust for me / us till the date the Acquirer makes payment of consideration as mentioned in the LOF, or the date by which other documents are dispatched to the Public Shareholders, as the case may be. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the LOF.
15. I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirer and/or the PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and/or the PACs, on demand, with all information / documents that may be necessary, including in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc., and co-operate in any proceedings before any income tax / appellate authority.
16. I / We authorise the Acquirer to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted, by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof.

I/We, confirm that my/ our status as a shareholder is (“✓” whichever is applicable)

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII/FPI - Corporate	<input type="checkbox"/> FII/FPI - Others	<input type="checkbox"/> FVCI
<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Private Equity Fund / AIF	<input type="checkbox"/> Pension/ Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership/ Proprietorship Firm
<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs- repatriable	<input type="checkbox"/> NRIs/ PIOs - non repatriable	<input type="checkbox"/> OCB	<input type="checkbox"/> QFI
<input type="checkbox"/> Domestic Company	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Banks	<input type="checkbox"/> Others - please Specify

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/ our investment status is (please provide supporting documents and “✓” whichever is applicable)

- ☐ FDI Route
- ☐ PIS Route

☐ Any other - please specify _____

I/We, confirm that the Offer Shares tendered by me/ us are held on (“✓” whichever is applicable)

- ☐ Repatriable basis
☐ Non - repatriable basis

I/We, confirm that (“✓” whichever is applicable)

- ☐ No RBI or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under general permission of the RBI.
☐ Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open Offer are enclosed herewith.
☐ Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We, confirm that (“✓” whichever is applicable)

- ☐ No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer.
☐ Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith.

Additional confirmations and enclosures for all Public Shareholders, as applicable

I / We, have enclosed the following documents (“✓” whichever is applicable):

- ☐ Self-attested copy of PAN card.
☐ Self-declaration form in Form 15 G / Form 15 H, if applicable to be obtained in duplicate copy. (applicable only for interest payment, if any)
☐ No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable.
☐ For Mutual Funds/ Banks/ notified institutions/ other shareholders, self-attested copy of relevant registration or notification in support of the claim that they are eligible to exemption from withholding tax (applicable in case of interest payment, if any).
☐ ‘Valid Tax Residency Certificate’ issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in ‘Form 10F’ as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
☐ SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs).
☐ SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.
☐ Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
☐ Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum-Acknowledgement
☐ Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
☐ Other relevant documents (Please specify) _____

BANK DETAILS

Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.

Yours faithfully, signed and delivered,

	Full name	PAN	Signature
Sole/ First Holder			
Second Holder			
Third Public Holder			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and certified copies of necessary board resolutions / corporate authorisation should be attached.

Place:

Date:

Acknowledgement Receipt – Magma Fincorp Limited- Open Offer

Received from Mr./Ms./M/s _____

Address: _____

Form of Acceptance-cum-Acknowledgement for Magma Fincorp Limited - Open Offer as per details below:

Copy of delivery instruction to depository participant of DP ID / Client ID _____ for _____ Equity Shares

Date of Receipt:

Place of Receipt:

Stamp of Selling Broker:

Signature of Official:

INSTRUCTIONS

PLEASE NOTE THAT NO OFFER SHARES / FORMS OF ACCEPTANCE SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PACs, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
3. Eligible Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective Selling Member by indicating the details of Equity Shares they intend to tender under the Open Offer.
4. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations.
5. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN Card, (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. **Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.** In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
6. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED**
7. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
8. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
9. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer i.e. Link Intime India Private Limited (at the following address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India) within 2 (two) days of bidding i.e. by April 28, 2021 (by 5.00 p.m. (IST)). The Selling Broker should place bids on the stock exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the stock exchange bidding system. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.

10. In case of Offer Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), as the order in which they hold the Offer Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
11. If the Offer Shares are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
12. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF in Paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*).
13. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
14. All the Public Shareholders are advised to refer to Paragraph 9 (*Note on Taxation*) of the LOF. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Paragraph 9 of the LOF, as referred to above, are indicative and for guidance purposes only.
15. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
16. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the exchange bidding system.
17. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
18. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF at Paragraph 8.
19. The Form of Acceptance or TRS is not required to be submitted to the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer. Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance unless required by their respective Selling Broker. Equity Shares under lock-in will be required to fill the respective Forms of Acceptance-cum-Acknowledgment.
20. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the eligible Public Shareholders holding Equity Shares in demat form.
21. No indemnity regarding title is required from persons not registered as Public Shareholders.
22. Procedure for tendering the Offer Shares in case of non-receipt of LOF:
 - a. Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS, LOF, and the issue opening public announcement cum corrigendum. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in Paragraph 7 above. Public Shareholders must ensure that the Form of Acceptance, along with the TRS and requisite documents (as mentioned in Paragraph 7 above) should reach the Registrar to the Offer within 2 days of the close of Tendering Period. If the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.
 - b. Alternatively, such holders of Offer Shares may also apply on the form of acceptance in relation to this Open Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.
23. The procedure for acceptance and settlement of the Offer and the note on taxation have been provided in the LOF under Paragraphs 8 and 9, respectively.
24. The LOF along with Form of Acceptance is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the LOF, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.
25. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
26. In case of interest payments, if any, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer and/or the PACs depending on the settlement mechanism for such interest payments.
27. Public Shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate should submit to the Registrar to the Offer, the following documents, as applicable:

For resident Public Shareholders:

 - Self-attested copy of PAN card.
 - Certificate from the income tax authorities under Section 197 of the IT Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate).
 - Self-declaration in Form 15G/ Form 15H (in duplicate), if applicable.
 - Self-attested copy of relevant registration or notification in support of the claim that they are otherwise eligible to exemption from withholding tax (applicable in case of interest payment, if any).

For non-resident shareholders:

 - Self-attested copy of PAN Card; or

- name, e-mail id, contact number;
- address in the country or specified territory outside India of which the shareholder is a resident;
- Tax Residency Certificate;
- Form 10F; and
- Tax Identification Number/ Unique Identification Number of the shareholder.
- Tax Residency Certificate;
- Form 10F;
- Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India;
- Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
- Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
- SEBI registration certificate for FII and FPI.

In an event of non-submission of aforesaid documents as may be applicable, tax will be deducted at the maximum rate applicable to the relevant category to which the Public Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LOF.

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:



Link Intime India Private Limited
 C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195
 Email: magmafincorp.offer@linkintime.co.in
 Contact Person: Sumeet Deshpande
 SEBI Registration No.: INR000004058

Form No. SH-4 - Securities Transfer Form
[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the
Companies (Share Capital and Debentures) Rules 2014]

Date of execution: _____/_____/_____

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named _____ the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:	L	5	1	5	0	4	W	B	1	9	7	8	P	L	C	0	3	1	8	1	3
------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full): **MAGMA FINCORP LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited and National Stock Exchange of India Limited**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	INR 2/-	INR 2/-	INR 2/-

No. of Securities being Transferred		Consideration received (₹)	
In figures	In words	In words	In figures

Distinctive Number	From		
	To		

Corresponding Certificate Nos.			
--------------------------------	--	--	--

Transferor's Particulars

Registered Folio Number: _____

Name(s) in full	PAN No.	Signature(s)
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

Transferee's Particulars		
Name in full (1)	Father's/ Mother's / Spouse's Name (2)	Address (3)
RISING SUN HOLDINGS PRIVATE LIMITED	N.A.	Sarosh Bhavan, 16-B/1, Dr. Ambedkar Road, Pune – 411 001
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Business		1. _____ 2. _____ 3. _____

Folio No. of Transferee	Specimen Signature of Transferee(s)
_____	1. _____
_____	2. _____
_____	3. _____

Value of Stamp affixed: ` _____

Enclosures:

Stamps

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only

Checked by _____

Signature Tallied by _____

Entered in the Register of Transfer on _____

_____ vide Transfer no _____

Approval Date _____

Power of attorney / Probate / Death certificate / Letter of
Administration

Registered on _____ at

No _____

On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Shares	Date of Transfer
_____	_____	_____	_____
			Signature of authorised signatory