

PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13(1), 14 AND 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF MAGMA FINCORP LIMITED

Open offer for acquisition of up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) fully paid up equity shares of face value of INR 2 (Indian Rupees two only) each, representing 26% (twenty six percent) of the Expanded Voting Share Capital (*as defined below*) of Magma Fincorp Limited (“Target Company”) (as on the 10th (tenth) working day from the closure of the tendering period for the Open Offer (*as defined below*)) from the Public Shareholders (*as defined below*) of the Target Company by Rising Sun Holdings Private Limited (“Acquirer”) together with Mr Sanjay Chamria (“PAC 1”) and Mr Mayank Poddar (“PAC 2”), in their capacity as the persons acting in concert with the Acquirer (collectively, “PACs”). Save and except for the PACs, no other person is acting in concert with the Acquirer for the purpose of this Open Offer.

This public announcement (“**Public Announcement**” or “**PA**”) is being issued by Axis Capital Limited, the manager to the Open Offer (“**Manager**”) for and on behalf of the Acquirer and the PACs to the Public Shareholders pursuant to and in compliance with Regulations 3(1) and 4, read with Regulations 13(1), 14 and 15(1), and other applicable regulations of the SEBI (SAST) Regulations (*as defined below*).

Definitions

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

- (a) “**Equity Shares**” means the fully paid up equity shares of the Target Company of the face value of INR 2 (Indian Rupees two only) each.
- (b) “**Expanded Voting Share Capital**” shall mean the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer. This includes: (a) 49,37,14,286 (forty nine crore thirty seven lakh fourteen thousand two hundred and eighty six) Equity Shares to be allotted by the Target Company to the Acquirer and the PACs by way of the Preferential Allotment (*as defined below*), subject to the approval of the shareholders of the Target Company and other statutory / regulatory approvals; and (b) 14,07,867 (fourteen lakh seven thousand eight hundred and sixty seven) employee stock options vested or which shall vest prior to June 30, 2021, assuming that June 30, 2021 is the 10th (Tenth) working day from the closure of the tendering period for the Open Offer.
- (c) “**Open Offer**” means the open offer for the acquisition of 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 from the Public Shareholders.
- (d) “**Post Issue Voting Share Capital**” shall mean the total issued and paid up equity share capital of the Target Company as on date, i.e. 26,96,16,712 (twenty six crore ninety six lakh sixteen thousand seven hundred and twelve) Equity Shares (the equity share capital as on date includes 25,200 Equity Shares which were allotted under Magma Employee Stock Option Plan 2007, but are yet to be credited and listed), along with 49,37,14,286 (forty nine crore thirty seven lakh fourteen thousand two hundred and eighty six) Equity Shares to be allotted by the Target Company to the Acquirer and the PACs by way of the Preferential Allotment (*as defined below*).

- (e) **“Public Shareholders”** means all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the PACs, the promoters and members of the promoter group of the Target Company, and other persons deemed to be acting in concert with the Acquirer and/or the PACs.
- (f) **“SEBI (SAST) Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
- (g) **“SEBI”** means the Securities and Exchange Board of India.

1. Details of the Offer

- 1.1. **Offer Size:** Up to 19,88,32,105 (nineteen crore eighty eight lakh thirty two thousand one hundred and five) Equity Shares, constituting 26% (twenty six percent) of the Expanded Voting Share Capital (as on the 10th (tenth) working day from the closure of the tendering period for the Open Offer), subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement (**“DPS”**) and the letter of offer (**“LoF”**), that are proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 1.2. **Offer Price / Consideration:** The Equity Shares are frequently traded in terms of SEBI (SAST) Regulations. The offer price of INR 70 (Indian Rupees seventy) per Equity Share (**“Offer Price”**) has been calculated in accordance with Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance in the Open Offer, the total consideration payable by the Acquirer will be 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).
- 1.3. **Mode of Payment:** The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 1.4. **Type of Offer:** The Open Offer made by the Acquirer and the PACs is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. This Open Offer is not subject to any minimum level of acceptance.

2. Transaction which has triggered the Open Offer obligations (Underlying Transaction)

Details of Underlying Transaction					
Type of transaction (direct/ indirect)	Mode of transaction (agreement/ allotment/ market purchase)	Shares/ voting rights acquired/ proposed to be acquired		Total consideration for shares/ voting rights acquired (in INR)	Mode of payment (cash/ securities)
		Number	% vis a vis total equity/ voting capital		
Direct Acquisition	The board of directors of the Target Company passed a resolution on February 10, 2021, authorizing the issue and allotment of Equity Shares by way of a preferential allotment, in the following manner (“Preferential Allotment”):	49,37,14,286 (forty nine crore thirty seven lakh fourteen thousand two hundred and eighty six) Equity Shares		INR 3456,00,00,020 (Indian Rupees three thousand	Cash
					Regulations 3 (1) and 4 of the SEBI (SAST)

	<p>a. 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;</p> <p>b. 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</p> <p>c. 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.</p> <p>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.</p>	<p>representing 64.68% (sixty-four point six eight percent) of the Post Issue Voting Share Capital and 64.56% (sixty four point five six percent) of the Expanded Voting Share Capital.</p>	<p>four hundred fifty-six crore and twenty)</p>		Regulations.
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3. Details of the Acquirer / PACs

Details	Acquirer	PAC 1	PAC 2	Total
Name of Acquirer / PACs	Rising Sun Holdings Private Limited	Mr Sanjay Chamria	Mr Mayank Poddar	Not applicable
Address	Sarosh Bhavan, 16-B/1dr, Ambedkar Road, Pune 411 001	22/1 Belvedere Road, Kolkata-27	24, Park Street, Kolkata-16	Not applicable
Name(s) of persons in control	Mr Adar Poonawalla	Not applicable	Not applicable	Not applicable
Name of the group, if any	Poonawalla Group	Not applicable	Not applicable	Not applicable
Pre-transaction shareholding				
(i) number	Nil	Nil	Nil	Nil
(ii) % of total share capital	Nil	Nil	Nil	Nil
Proposed shareholding after the acquisition of shares which triggered the Offer (assuming no Equity Shares are tendered in the Open Offer)	45,80,00,000 (forty-five crore and 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.	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.	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.	49,37,14,286 (forty-nine crore thirty-seven lakh fourteen thousand two hundred and eighty-six) Equity Shares representing 64.68% (sixty four point six eight percent) of the Post Issue Voting Share Capital and 64.56% (sixty four point five six percent) of the Expanded Voting Share Capital.

Details	Acquirer	PAC 1	PAC 2	Total
Any other interest in the Target Company	None	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), and is the Vice Chairman and Managing Director of the Target Company. 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.	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), and is the Chairman Emeritus and a non executive director of the Target Company. 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.	Not applicable

4. Details of selling shareholders, if applicable

Not applicable.

5. Target Company

Name: Magma Fincorp Limited

CIN: L51504WB1978PLC031813

Registered Office: Development House, 24 Park Street, Kolkata – 700 016

Exchanges where listed: Equity Shares are listed on the (a) National Stock Exchange of India Limited (Symbol: MAGMA) and (b) BSE Limited (Security ID: MAGMA, Security Code: 524000). The ISIN of Equity Shares of the Target Company is INE511C01022.

6. Other Details

- 6.1. The DPS will be published in newspapers on or before February 17, 2021, as required under Regulation 13(4) read with Regulation 14(3) of the SEBI (SAST) Regulations. The DPS shall, inter alia, contain details of the Open Offer including detailed information on the Offer Price, the Acquirer, the PACs, the Target Company, the background to the Open Offer, the statutory approvals required for the Open Offer, details of financial arrangements and the conditions for withdrawal of the Open Offer.
- 6.2. The Acquirer has adequate financial resources to meet their obligations under the Open Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations and shall be acquiring the Equity Shares tendered in the Open Offer.

- 6.3. The Open Offer is not conditional upon any minimum level of acceptance pursuant to the 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.
- 6.4. The completion of the Open Offer is subject to receipt of statutory and other regulatory approvals, as applicable.
- 6.5. In this Public Announcement, all references to “INR” are references to the Indian Rupee.
- 6.6. All the information pertaining to the Target Company contained in this Public Announcement has been obtained from publicly available sources, and the accuracy thereof has not been independently verified by the Manager to the Open Offer.
- 6.7. The Acquirer, the PACs and their respective directors accept full responsibility for the information contained in this Public Announcement and undertake that they are aware of and will comply with the obligations under the SEBI (SAST) Regulations.

Issued by the Manager to the Open Offer:



Axis Capital Limited

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E-mail: magma.openoffer@axiscap.in

Contact Person: Mr Ankit Bhatia

SEBI Registration No.: INM000012029

Validity Period: Permanent

On behalf of

Rising Sun Holdings Private Limited
(Acquirer)

Sd/-

Name: Mr Adar Poonawalla

Title: Director

Mr Sanjay Chamria (PAC 1)

Sd/-

Mr Mayank Poddar (PAC 2)

Sd/-

Place: Pune

Date: February 10, 2021