

10 February 2021

Corporate Relationship Department,
BSE Limited
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001

Company Code - 524000

The Manager,
Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol – MAGMA

Sub: Outcome of Board Meeting

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir,

Further to our intimation dated 5 February 2021 and pursuant to Regulation 30(2) of Listing Regulations read with Para A of Part A of Schedule III, we wish to inform you that at the meeting of the Board of Directors of the Company held today i.e. 10 February 2021, the Board of Directors of the Company considered and approved the following:

1. Subject to the shareholders’ approval by way of passing of Special Resolution in the Extra Ordinary General Meeting and other necessary regulatory approvals and in compliance with provisions of the Companies Act, 2013 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and other applicable laws, the board has approved raising of funds of up to Rs. 3456 crores by way of creating, offering, issuing and allotting 49,37,14,286 Equity shares of face value Rs. 2 (Rupees Two only) each of the Company at an issue price of Rs. 70/- per equity share by way of preferential allotment as per details given below:

Sr. No.	Name of Proposed Allotees	Status	No. of Equity Shares
1.	Rising Sun Holdings Private Limited	Company	45,80,00,000
2.	Mr. Sanjay Chamria	Individual	1,78,57,143
3.	Mr. Mayank Poddar	Individual	1,78,57,143
	TOTAL		49,37,14,286

In connection with the proposed preferential allotments, the Audit Committee and Board of the Company has approved subscription of 1,78,57,143 equity shares of the Company by Mr. Mayank Poddar and 1,78,57,143 equity shares of the Company by Mr. Sanjay Chamria, who are members of the promoter and promoter group of the Company.

The Board has also approved and the parties have executed binding terms of agreement by and between Company, Rising Sun Holdings Private Limited (“**RSHPL**”), Mr. Mayank Poddar and Mr. Sanjay Chamria.

The proposed preferential allotment to Rising Sun Holdings Private Limited and execution of the terms of agreement shall attract an obligation on the Rising Sun Holdings Private Limited, Mr. Mayank Poddar and Mr. Sanjay Chamria to make an open offer to the shareholders of the Company under applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The Board also decided to convene an Extra Ordinary General Meeting on Tuesday, 9 March 2021 for seeking approval of the shareholders of the Company for issuance of Equity Shares on Preferential basis under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and Companies Act, 2013 read with relevant rules thereunder and other applicable provisions.

Mr. Girish Bhatia, Practicing Company Secretaries, (CP No. 13295) Kolkata, have been appointed as Scrutinizer for conducting the e- voting process in a fair and transparent manner. The Voting Rights of the Members shall be reckoned as on 5 February 2021 which is the cut-off date.

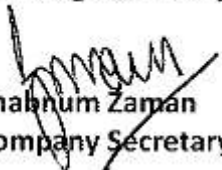
In addition to above, the details pursuant to Regulation 30(2) of the Listing Regulations read with Para A.2 and A.5 of Annexure I of circular bearing number CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by Securities and Exchange Board of India is enclosed herewith as an Annexure-I to this letter.

The Board Meeting commenced at 5.30 P.M. and concluded 7:00 P.M.

We request you to take the same on record.

Thanking you,

**Yours faithfully,
For Magma Fincorp Limited**



**Shabnum Zaman
Company Secretary**

Annexure I

Details pursuant to Regulation 30(2) of the Listing Regulations read with **Para A.2** of Annexure I of circular bearing number CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by Securities and Exchange Board of India

Type of securities proposed to be issued	Equity Shares of Rs.2/- each				
Type of issuance	Preferential Issue in accordance with Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ISEBI ICDR), as amended and other applicable law				
Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	49,37,14,286 Equity Shares at a price of Rs.70/- per Equity Share, for an aggregate consideration of Rs. 3456 crores.				
Name of Investor	Rising Sun Holdings Private Limited, Mr. Mayank Poddar and Mr. Sanjay Chamria				
Post-allotment of securities: Outcome of subscription	Details of shareholding of proposed allottees in the Company, prior to and after the proposed Preferential Issue, are as under:				
	Name of proposed allottees	Pre-Preferential Issue As on 31 December, 2020	Post-Allotment of Equity Shares pursuant to the Preferential Issue		
		No. of Equity Shares held	% held	No. of Equity Shares held	% held
	Rising Sun Holdings Private Limited	Nil	Nil	45,80,00,000	60%
	Mr. Sanjay Chamria	Nil	Nil	178,57,143	2.34%
	Mr. Mayank Poddar	Nil	Nil	178,57,143	2.34%
Issue Price	Rs 70/- The price at which the Equity Shares shall be issued is not lower than the floor price calculated in accordance with Regulation 164 of the SEBI ICDR Regulations.				

Details pursuant to Regulation 30(2) of the Listing Regulations read with Para A.5 of Annexure I of circular bearing number CIR/CFD/CMD/4/2015 dated September 09, 2015 issued by Securities and Exchange Board of India

Descriptions	Terms of Agreement which relates to the subscription of the equity shares to the proposed allottees and certain other agreement between RSHPL, the Existing Promoters and the Company
Name(s) of parties with whom the terms of agreement is entered	<ul style="list-style-type: none"> i) The Company ii) Rising Sun Holdings Private Limited iii) Existing members of promoter and promoter group
Purpose of entering into the agreement;	<p>The terms of agreement specifies terms for raising funds from Rising Sun Holdings Private Limited, Mayank Poddar and Sanjay Chamria through preferential allotment.</p> <p>The preferential allotment represents 64.68% of the Company's enhanced equity share capital post the issuance of 49,37,14,286 Equity Shares by Rising Sun Holdings Private Limited, Mayank Poddar and Sanjay Chamria and would result in a controlling stake of the Company being acquired by Rising Sun Holdings Private Limited.</p> <p>Upon completion of the Proposed Preferential Allotment, Rising Sun Holdings Private Limited will be classified as promoters of the Company together with Mayank Poddar and Sanjay Chamria.</p> <p>The present shareholding pattern of the Company (on a fully diluted basis) and the shareholding pattern of the Company (on a fully diluted basis) post the Proposed Transaction is annexed as Annexure I</p>
Shareholding, if any, in the entity with whom the agreement is executed;	Nil
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc;	1) Rising Sun Holdings Private Limited shall have the right to appoint Chairman of the Company on completion of the Proposed Transaction and intends to nominate Mr. Adar Poonawalla as the Chairman of the Company and Mr. Abhay Bhutada as the Managing Director of the Target Company.

- 2) The Board of the Company shall be reconstituted by the Chairman nominated by Rising Sun Holdings Private Limited and the Board lead by Chairman may make such changes in management as they may deem fit.
- 3) The Rising Sun Holdings Private Limited intends that the Company should appoint post consummation of the Proposed Transaction (i) a professional CEO from the best in the industry and with substantial experience of running financial services businesses; and (ii) an experienced and professional COO from the best in the industry.
- 4) Existing director, i.e. Mr. Sanjay Chamria shall continue on the Board of the Target Company, subsidiary and joint venture and shall be Executive Vice Chairman of the Target Company.
- 5) Post completion of the transaction, the Target Company shall reconstitute the Board of Directors of its subsidiary and joint venture, subject to respective investment and joint venture agreements for reconstitution of the Board.
- 6) The transaction is subject to statutory approvals and approval by the shareholders at general meeting and an open offer would also be undertaken by the acquirers, namely RSHPL, Mr. Mayank Poddar and Mr. Sanjay Chamria (as per Takeover Regulations) with the obligation to purchase the shares in the open offer on RSHPL. As per the Terms of Agreement the parties have agreed that RSHPL shall be acquiring the shares that are tendered in the open offer.
- 7) Post the consummation of the proposed transaction RSHPL shall consolidate the business of Poonawalla Finance Private Ltd. with the Target Company. The loan book of Poonawalla Finance Private Ltd. shall be acquired by the Target Company along with the employees on a slump sale basis or transfer of existing loan book, at a fair value which is likely to be close to book

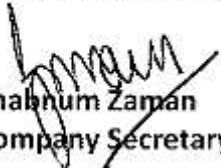
	<p>value and in due compliance with regulatory requirements).</p> <p>8) The Company and its subsidiaries shall be renamed as may be decided by RSHPL subject to necessary approvals and rebranded as 'Poonawalla Finance'.</p>
<p>Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;</p>	<p>Celica Developers Private Limited, Microfirm Capital Private Limited and Magma Consumer Finance Private Limited, Ashita Poddar, Mansi Poddar, Kalpana Poddar and Shaili Poddar are the present promoters of the Company. Mr. Sanjay Chamria and family and Mr. Mayank Poddar and family are members of the promoters and promoter group of the Company. Rising Sun Holdings Private Limited is not connected with the promoter/ promoter group/ group companies in any manner.</p>
<p>Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length";</p>	<p>Yes</p>
<p>In case of issuance of shares to the parties, details of issue price, class of shares issued;</p>	<p>Issue of 49,37,14,286 Equity Shares of face value of Rs. 2 each at an issue price of Rs. 70/- per equity share (including premium of Rs. 68 per equity share) to Rising Sun Holdings Private Limited, Mayank Poddar and Sanjay Chamria.</p>
<p>Any other disclosures related to such agreements viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.</p>	<p>The proposed issuance of the securities to Mr. Sanjay Chamria by way preferential allotment of 1,78,57,143 equity shares of the Company at a price of INR 70/- per share aggregating to INR 125 crores ("Additional Preferential Allotment I"), and to Mr. Mayank Poddar by way preferential allotment of 1,78,57,143 equity shares of the Company at a price of INR 70/- per share aggregating to INR 125 crores ("Additional Preferential Allotment II"), which are related party as per the Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") have been approved by the Audit Committee members and the Board of the Company.</p>

As mentioned an open offer will also be undertaken by the acquirers, namely RSHPL, Mr. Mayank Poddar and Mr. Sanjay Chamria (as per Takeover Regulations) subject to the regulatory approvals. The shareholder meeting for approving the preferential allotment is proposed to be held on 9th March, 2021. In terms of Regulation 164 of the ICDR Regulations, the average price as computed on the above basis during 26 weeks preceding the relevant date is Rs. 40.09/- per equity share whereas during two weeks preceding the relevant date is Rs. 48.19/- per equity share. The higher of the two prices calculated is Rs. 48.19/- per equity share and the preferential allotment price is Rs 70/- per equity share, which is higher of the two calculated prices. As the acquisition price is higher, the open offer would be made at a price of Rs. 70/- per share.

This is for your information and records.

Thanking you,

**Yours faithfully,
For Magma Fincorp Limited**


**Shahnum Zaman
Company Secretary**