



## MAGMA FINCORP LIMITED

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

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CIN: L51504WB1978PLC031813 • Website: www.magma.co.in

Email: shabnum.zaman@magma.co.in

## NOTICE

To,

### The Members of the Company

Notice is hereby given that the Thirty Seventh (37th) Annual General Meeting (AGM) of the shareholders of Magma Fincorp Limited shall be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, 02 August, 2017 at 3:00 P.M to transact the following business:

### ORDINARY BUSINESS

- To consider and adopt:
  - the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2017 and the Reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2017 and the Report of Auditors thereon.
- To declare Dividend on Equity and Preference Shares for the year ended 31 March 2017.
- To appoint a Director in place of Mr. Sanjay Chamria (holding DIN: 00009894) who retires by rotation and, being eligible, offers himself for re-appointment.
- To ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants having Registration No. 101248W/W-100022 of Bangalore, as Statutory Auditors of the Company from the conclusion of the 37th Annual General Meeting (2016-17) till the conclusion of the 38th Annual General Meeting (2017-18) of the Company and to authorize the Board of Directors to fix their remuneration on yearly basis and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, appointment of M/s. B S R & Co. LLP, Chartered Accountants having Registration No. 101248W/W-100022 of Bangalore, as Statutory Auditors of the Company from the conclusion of the 37th Annual General Meeting (2016-17) till the conclusion of the 38th Annual General Meeting (2017-18) of the Company, be and is hereby ratified for the financial year 2017-18, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee, plus applicable service tax and reimbursement of travelling and other incidental expenses to be incurred by them in the course of their audit."

### SPECIAL BUSINESS

- To determine the fees to be charged from the shareholders of the Company for service of document through specified mode and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder and Article 281 of the Articles of Association of the Company, consent of the shareholders, be and is hereby accorded, to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the

documents through a particular mode, if any request has been made by any such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To approve the Scheme of Merger of Wholly Owned Subsidiary Company i.e. Magma Advisory Services Limited with the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Sections 230 read with section 233 and other applicable provisions of the Companies Act, 2013 ('Act') and rules thereunder, as amended from time to time and other applicable provisions (including any statutory modification(s) or re-enactment(s) thereof) , if any, Regulation 11 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Regulations, 2015") and all other applicable laws and regulations, Object Clause of Memorandum of Association of Company ("MoA"), the provisions provided in the Articles of Association of the Company ("AoA"), and other applicable provisions, if any, recommendation of the Audit Committee and the Board and subject to the approvals, sanctions, consents and/or permissions of the Competent Authority (s), as the case may be, and further subject to such terms, conditions, modifications as may be prescribed or imposed while granting such approvals, permissions and/or sanctions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), consent of the members be and is hereby accorded for the proposed Scheme of Merger (the "Scheme"), a copy of which has been circulated to the Members along with the Notice of the Meeting and also placed before the Meeting providing for merger of the Wholly Owned Subsidiary of the Company i.e. Magma Advisory Services Limited (MASL) with the Company, by way of transfer of the Undertaking (as defined in the Scheme) of MASL as provided in the Scheme;

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary or the Chief Financial Officer of the Company be and is hereby severally and/or jointly authorized, on behalf of the Company to-

- make such alterations, modifications and amendments, and to do all such acts, deeds and things, and take necessary actions and to comply with all formalities as may be required in connection with and incidental to the aforesaid Scheme of Merger as may be expedient to do or necessary for complying with requirements or conditions imposed by the Competent Authority (s), and/or any other statutory authorities as may be applicable to give effect to the above resolution;
- take all such steps as may be required, including without limitation to obtaining approvals and/or consents of shareholders, creditors, banks, financial institutions, all relevant regulatory, governmental and judicial authorities and all relevant third parties, as may be required from time to time in that behalf;

3. give such directions as they may consider necessary to settle any question or resolve any difficulty or matter arising under the Scheme or in regard to the meaning or interpretation of the Scheme or the implementation thereof and to review the position relating to the satisfaction of various conditions as stipulated in the said Scheme and if necessary, subject to the consent of the Board of the Company, to waive any of those conditions (to the extent permissible under law);
4. appoint solicitors, advocates, attorneys, company secretaries, advisors, valuer's, auditors, accountants, registrars, or such other persons or agencies, as may be required in relation to or in connection with the Scheme, on such terms and conditions including as regards their fees or remuneration as they may deem fit and issue letters of appointment or vakalatnamas or authority letters in this regard;
5. sign and execute any application, petition, affidavit, undertaking or any other documents or deeds or pleadings, as may be required to be filed for this purpose and to agree and to make such modifications/ alterations as may be required by

any Authority, whether judicial or governmental, in connection with the Scheme including but not limited to submission of the same before the Competent Authority and to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the Scheme and to give effect of the same;

**RESOLVED FURTHER THAT** MASL being the wholly owned subsidiary of the Company, in terms of the Scheme, the entire issued capital held by the Company in MASL shall stand cancelled upon the Scheme becoming effective."

By Order of the Board of Directors  
For **Magma Fincorp Limited**

**Registered Office:**  
**Magma House,**  
**24 Park Street,**  
**Kolkata-700016**  
**Date : 20 June 2017**

**Shabnum Zaman**  
**Company Secretary**  
**ACS: 13918**

#### NOTES:

1. Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, with respect to Special Business set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ATTACHED HEREWITH.**  
  
Proxy/Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding 50 members and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The proxy holder shall prove his identity at the time of attending the meeting.
4. When a member appoints a proxy and both the member and proxy attend the meeting, the proxy stands automatically revoked.
5. Requisition for inspection of proxies shall have to be made in writing by members entitled to vote on any resolution three days before the commencement of the meeting.
6. Proxies shall be made available for inspection during 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
7. Only registered members of the Company or any proxy appointed by such registered member may attend and vote at the meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/she can participate in the meeting but not vote.
8. Corporate members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013/Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the meeting.
9. In terms of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended from time to time, dividends which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund of the Central Government. Accordingly, all unpaid / unclaimed amounts in respect of dividends paid by the Company for the year ended 31 March 2010 have to be transferred to the said fund by 20 August 2017. Shareholders are requested to encash the dividend before the due date of

transfer i.e. 20 August 2017. Shareholders are advised to encash the unpaid Dividend Warrants for the year ended 31 March 2010 or any subsequent year, before transfer to the above referred fund by writing a request to the Company Secretary, Magma Fincorp Limited, Secretarial Department, "Magma House", 7th Floor, 24, Park Street, Kolkata – 700 016. No claim will be entertained thereafter by the Company. The details of the dates on which dividend should be transferred to the aforesaid fund is given below :-

Financial Year	Date of Declaration	Due for Transfer
2009-2010	15 July 2010	20 August 2017
2010-2011	21 June 2011	27 July 2018
2011-2012	12 July 2012	17 August 2019
2012-2013	18 July 2013	23 August 2020
2013-2014	31 July 2014	05 September 2021
2014-2015	01 August 2015	06 September 2022
2015-2016	19 September 2016	25 October 2023

The Company has uploaded the information in respect of the unpaid / unclaimed dividend amounts lying with the Company, as on the date of the last meeting held on 19th September 2016, on the website of the IEPF viz., [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the website of the Company viz., [www.magma.co.in](http://www.magma.co.in).

Members are requested to note that pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and the IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. In this regard the Company is taking steps for sending individual notices to the concerned shareholders for whom the dividend remains unclaimed and unpaid with the Company from FY 2009-10 onwards and for publishing of a public notice to said shareholders under the IEPF Rules.

Members are informed that once the unpaid/unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for verification of the claim.

The IEPF Rules and the application form (Form IEPF – 5), as prescribed by the MCA for claiming back of the shares/ dividend, are available on the website of the Company [www.magma.co.in](http://www.magma.co.in) at its weblink i.e. <https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/> as well as website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

10. The members of the Company at their 30th Annual General Meeting held on Thursday, 15 July 2010 approved the sub-division of the Equity Shares of the face value of ₹10/- each fully paid-up into 5 Equity Shares of the face value of ₹2/- each fully paid-up. Accordingly, the Company had fixed Monday, 16 August 2010 as the Record Date to determine the shareholders eligible to receive the sub-divided Equity Shares and the holders of physical shares were advised through several shareholders communications to surrender / exchange the old share certificate of the face value of

- ₹10/- to receive the new share certificate of the face value of ₹2/- . The shareholders who have not yet surrendered / exchanged the old share certificate of the face value of ₹10/- are again requested to take new sub-divided share certificate of the face value of ₹2/- by surrendering / exchanging the old Equity Shares of the face value of ₹10/- each immediately at the Registered Office of the Company or Company's Registrar & Transfer Agent ('RTA'), M/s. Niche Technologies Private Limited, D-511, Bagree Market, 5th Floor, 71, B. R. B. Basu Road, Kolkata – 700 001.
11. Pursuant to Regulation 12 along with Schedule I of the Listing Regulations, all Companies shall mandatorily use any of the electronic mode of payment facility approved by the Reserve Bank of India for making payments such as dividend to the members (where core banking details are available) or to print the bank account details of the members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank) or to print the address of the member on such payment instructions (in case where the bank details of investors are not available).  
Hence, the members are requested to furnish/update their bank account name & branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest with:
    - i. the respective Depository Participants (DP) (in case of the shares held in electronic mode) or;
    - ii. the RTA i.e. M/s. Niche Technologies Private Limited, D-511, Bagree Market, 5th Floor, 71, B. R. B. Basu Road, Kolkata – 700001 at nichetechpl@nichetechpl.com (in case of the shares held in physical form).
  12. Members holding shares in physical form are requested to intimate change in their registered address or bank particulars, mentioning full address in block letters with Pin code of the Post Office, mandate, bank particulars and Permanent Account Number (PAN) to the Company's RTA and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.
  13. Members holding shares in physical form and wishing to make / change a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 may submit the prescribed particulars in Form No. SH-13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination) to the Company.
  14. The Company has entered into necessary arrangement with NSDL and CDSL to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of either of the above Depositories.
  15. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 27 July 2017 to Wednesday, 2 August 2017 (both days inclusive) for determining the name of members eligible for dividend on equity shares, if declared at the meeting.
  16. Dividend on Equity Shares, if declared at the meeting will be credited / dispatched between 2 August 2017 and 1 September 2017 respectively and paid to those members, whose names appear in the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before the close of working hours of the Company as on Wednesday, 26 July 2017 ('Record Date'). In respect of the shares held in Electronic Form, the Dividend will be paid to those persons whose names appear as beneficial owners as at the end of the business hours on Wednesday, 26 July 2017 as per details furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').
  17. Electronic copy of the Annual Report, Notice of the meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent by the permitted mode.
  18. In view of Go Green initiative being undertaken by the Company, members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with the Company's RTA or with the Company at ukundu@magma.co.in. Shareholders holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their Depository Participant.
  19. Members are requested to bring their copy of Annual Report to the meeting. A member desirous of getting any information with regard to Accounts of the Company is requested to send the queries to the Company at least 10 days before the meeting to the Company Secretary at the Registered Office of the Company.
  20. Members are requested to mention their Folio Number/Client ID/DP ID Number (in case of shares held in dematerialized form) in all their correspondence with the Company / Depository Participant in order to facilitate response to their queries promptly.
  21. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission at the entrance to the place of the meeting.
  22. Members who are holding shares of the Company in physical form through multiple folios in identical order of names are requested to write to the RTA, enclosing their share certificates, to enable the RTA to consolidate their holdings into one folio.
  23. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  24. Members are requested to contact the Company's RTA for reply to their queries/redressal of complaints, if any, or contact Ms. Shabnum Zaman, Company Secretary at the Registered Office of the Company (Phone:+91 33 44027736; Email: shabnum.zaman@magma.co.in).
  25. Members may note that the notice of the meeting will be available on the Company's website www.magma.co.in. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 read with rules issued thereunder will be available for inspection by the members at the meeting.
  26. The relevant documents referred to in this Notice and Statement are open for inspection at the meeting and such documents will also be available for inspection in physical or in electronic form at the registered office and copies thereof shall also be available for inspection in physical or electronic form at the registered office from the date of dispatch of the notice till the date of the meeting on all working days, except Saturdays, from 10:00 A.M to 12:00 Noon.
  27. Voting through electronic means:
    - i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), the Company is pleased to provide members with the facility of voting through electronic means in respect of business to be transacted at the meeting and the business may be transacted through e-voting services provided by NSDL.
    - ii. The facility of voting through ballot or polling paper shall also be made available for the members at the meeting who have not been able to vote electronically and who are attending the meeting. The members who have cast their vote electronically would be entitled to attend the meeting but would not be permitted to cast their vote again at the meeting. The facility to vote by electronic voting system will not be provided at the meeting.
    - iii. The remote e-voting period commences on Sunday, 30 July 2017(9.00 A.M. IST) and ends on Tuesday, 01 August 2017 (5.00 P.M. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Wednesday, 26 July 2017 ('Cut-off date') may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting on Tuesday, 01 August 2017 after 5.00 P.M. IST. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently.

### Process and Manner for Members Opting for Remote E-Voting

The instructions for remote e-voting are as under:

- A. In case a member receives an e-mail from NSDL [for members whose e-mail addresses are registered with the Company/ Depository Participants(s)]:-
- i. Open e-mail and open PDF file viz. "Magma e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser and type the following URL: <https://www.evoting.nsd.com>.
  - iii. Click on Shareholder – Login.
  - iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the remote e-voting home page opens, click on remote e-voting> Active Voting Cycles.
  - viii. Select "EVEN" (Remote E-voting Event Number) of Magma Fincorp Limited. Now you are ready for remote e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [girishbhatia1956@gmail.com](mailto:girishbhatia1956@gmail.com) or [shabnum.zaman@magma.co.in](mailto:shabnum.zaman@magma.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the "Downloads" section of [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - xiv. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 26 July 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- B. In case a member receives physical copy of the notice of AGM (for members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed attendance slip: EVEN (Remote E-voting Event Number), user ID and password.
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

- C. Other Instructions:
- i. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date.  
  
Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the closing working hours of Cut-off Date and not casting their vote electronically, may cast their vote at the meeting.
  - ii. Mr. Girish Bhatia, Practicing Company Secretary (CP No. 13792), who have consented to act as the scrutinizer and are available for the purpose of ascertaining the requisite majority, have been appointed as the scrutinizer to scrutinize the remote e-voting process/ ballot/poll in a fair and transparent manner.
  - iii. The Chairman shall at the meeting, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer, by use of ballot or polling paper for all those members who are present at the meeting but have not cast their votes by availing the remote e-voting facility.
  - iv. Scrutinizer shall immediately after the conclusion of the meeting will first count the votes cast at the meeting and thereafter unblock the votes in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the meeting make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
  - v. The results declared along with the Scrutinizer's Report will be posted on the Company's website [www.magma.co.in](http://www.magma.co.in) at its weblink i.e. <https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/> and shall also be displayed on the Notice Board of the Company at its Registered Office. The result shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed and NSDL.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 (as amended) (the "Act") the following Explanatory Statement sets out all material facts relating to the Special Business set out in Item No. 5 and Item No. 6 of the accompanying Notice dated 20 June 2017.

#### ITEM NO. 5

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Board accordingly recommends the Ordinary Resolution at item no. 5 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.5 of the accompanying Notice.

#### ITEM NO. 6

Magma Fincorp Limited (Transferee Company) has a wholly owned subsidiary, Magma Advisory Services Limited (MASL) (Transferor Company). MASL currently holds the entire issued, subscribed and paid up capital of Magma Housing Finance Limited [Formerly Magma Housing Finance (A Public Company with Unlimited Liability)] (hereinafter Magma Housing Finance), therefore, Magma Housing Finance is, indirectly a step



down subsidiary of MFL. In addition to the above, MASL was also engaged in the business of providing services with respect to manpower management, however, MASL is not carrying out business of manpower management since the last quarter.

The Board of Directors of the Company opines that the Scheme of Merger ('the Scheme') will generate operational synergies and will benefit the Company, inter alia, in the following ways-

- (i). To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.
- (ii). To achieve cost savings benefits with more focused operational efforts, rationalisation, standardisation and simplification of business processes, productivity improvements and rationalization of administrative expenses.
- (iii). The consolidation of activities of the Transferor Company and the Transferee Company by way of merger will lead to operational synergies, greater productivity and economical operations for future growth of the Transferee Company.
- (iv). Magma Housing Finance, currently a step-down subsidiary of the Transferee Company, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.
- (v). The merger will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will help in increasing the competitiveness of the Transferee Company.

(vi). The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency and optimal utilisation of resources.

(vii). The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company.

(viii). The banks, creditors and financial institutions, if any, are not adversely affected by the proposed merger as their security and asset cover will be maintained.

The Scheme has been drafted after discussions with various experts and in accordance with the applicable provisions of the applicable laws. The Scheme and declaration of solvency of the Transferee Company is enclosed with the Notice for the perusal of the members. The Board is of the opinion that the Scheme is in the best interest of the stakeholders.

The proposed merger will not cause any prejudice to the creditors or any other stakeholders of the Company since it does not involve any financial outlay/outgo on the part of the Company. Further, the proposed merger would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debt in the ordinary course of business.

The Board recommends the adoption and approval of the aforesaid resolution no. 6 as a Special resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the accompanying Notice.

As per the requirement of Companies Act, 2013, Regulation 36 of Listing Regulations on Corporate Governance and Secretarial Standards for appointment/re-appointment of the Director, a statement containing details of the concerned Director is given below:

#### Details of Director seeking re-appointment at the Annual General Meeting

Name	Mr. Sanjay Chamria
DIN:	00009894
Age:	52 yrs
Date of first appointment on the Board	28.09.1993
Qualification	- Bachelor of Commerce - Fellow Chartered Accountant
Expertise in specific functional area	Having nearly three decades of experience in NBFC. He anchors policy, strategy planning and execution. He leads the management team in the achievement of ambitious goals year after year.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	Mr. Chamria retires by rotation at the ensuing AGM and being eligible, seeks re-appointment.
Remuneration last drawn by such person, if applicable, (As per last audited balance sheet dated 31 March 2017)	₹ 150 lacs
*List of outside Directorships held	- Magma HDI General Insurance Company Limited - Magma ITL Finance Limited - Magma Housing Finance Limited (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) - Fluence Advisory Services Limited - Magma Consumer Finance Private Limited - Microfirm Capital Private Limited - Jaguar Advisory Services Private Limited - Celica Developers Private Limited
**Chairman/Member of the Committee of the Board of Directors of other Companies in which he/she is a Director	Chairman of the Audit Committee of: - Magma ITL Finance Limited - Magma Housing Finance Limited (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) Member of the Audit Committee of: - Magma HDI General Insurance Company Limited
Shareholding in the Company	Nil
No. of Meetings of the Board attended during the year	No. of meeting held : 4 No. of meeting attended: 4
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No

\*Excludes Directorships in Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\* Includes only Audit Committee and Stakeholders' Relationship Committee.

#### Explanatory Statement as per Section 230 (3) read with sub-rule (3) of Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

The following statement includes the requisite information as per the aforesaid provisions except for the information which is already included in the draft Scheme of Merger which is being circulated along with the Notice.

- (i) Details of the Transferee Company;  
Magma Fincorp Limited (MFL) is a listed public limited company incorporated on December, 1978, under the provisions of the Companies Act, 1956 having CIN: L51504WB1978PLC031813 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal. The Company is registered with the Reserve Bank of India as a systemically important non-deposit

taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934. The Company is listed on National Stock Exchange of India Limited and BSE Limited. The website of the Company is [www.magma.co.in](http://www.magma.co.in). The email address of the Company is [secretary@magma.co.in](mailto:secretary@magma.co.in) and Permanent Account Number (PAN) is AABCM9445K.

- (ii) Names of the present promoters and directors of the Transferee Company along with their addresses;

Name of the promoters / directors	Address
<b>Promoters</b>	
Celica Developers Private Limited	24, Park Street, Kolkata – 700016
Microfirm Capital Private Limited	24, Park Street, Kolkata – 700016
Columbine Decorative & Marketing Private Limited	24, Park Street, Kolkata – 700016
Ashita Poddar	24, Park Street, Kolkata – 700016
Kalpana Poddar	24, Park Street, Kolkata – 700016
Mansi Poddar	24, Park Street, Kolkata – 700016
Shaili Poddar	24, Park Street, Kolkata – 700016
<b>Directors</b>	
Mr. Narayan K Seshadri	Little Gibbs Road, Malabar Hill, Mumbai – 400006
Mr. Mayank Poddar	24, Park Street, Kolkata – 700016
Mr. Sanjay Chamria	22/1 Belvedere Road, Kolkata – 700027
Mr. Nabankur Gupta	11 Jayshree, 75 Worli Seaface, Mumbai – 400025
Mr. Satya Brata Ganguly	16B Minto Park, 13 D L Khan Road, Kolkata – 700027
Mr. Sanjay Nayar	17/C Carmichael Road, Mumbai – 400026
Mr. V K Viswanathan	#56, SRT Road, Cunningham Cross Road, Bangalore – 560052

- (iii) the date of the board meeting at which the scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution;

The scheme was approved by the Board of Directors of the Company at its meeting held on 20 June 2017 based on the recommendations of the Audit Committee of the Board of Directors. All the directors present at the meeting i.e. Mr. Sanjay Chamria, Mr. Nabankur Gupta, Mr. Satya Brata Ganguly and Mr. V K Viswanathan voted in favour of the resolution.

- (iv) amount due to unsecured creditors\*;  
₹ 2,58,487.73 lacs
- (v) disclosure about the effect of the compromise or arrangement on;
- key managerial personnel;
  - directors;
  - promoters;
  - non-promoter members;
  - depositors;
  - creditors;
  - debenture holders;
  - deposit trustee and debenture trustee;
  - employees of the company.

The Scheme does not have a prejudicial effect on the key managerial personnel; directors; promoters; non-promoter members; depositors, if any; creditors; debenture holders; deposit trustee and debenture trustee; employees of the company of the Transferor and Transferee Companies, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner whatsoever.

- (vi) Disclosure about effect of compromise or arrangement on material interests of directors, Key Managerial Personnel (KMP) and Debenture Trustee;

None of the Directors, Promoters, Key Managerial Personnel, Creditors, Debenture Trustees and Employees of the Transferor Company and Transferee Company respectively have any material personal interest in the Scheme, save to the extent of their shareholding in the Transferor and the Transferee Companies, if any.

- (vii) Investigation or proceedings, if any, pending against the company under the Act;

No investigation proceedings have been instituted or are pending in relation to the Transferor Company and Transferee Company under the Companies Act, 1956/ Companies Act, 2013.

- (viii) Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely;

Following documents are also available for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors of the Transferee Company at the registered office from the date of dispatch of the notice till the date of the meeting on all working days, except Saturdays, from 10:00 A.M to 12:00 Noon.

- Copy of Order of National Company Law Tribunal: Not Applicable
- Latest audited financial statements including the consolidated financial statements as on 31st March, 2017 subject to approval of shareholders
- Copy of the Scheme of Merger
- Declaration of solvency dated 20 June 2017
- Certificate issued by the Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants of the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.
- Memorandum and Articles of Association
- Report of the Audit Committee dated 20 June 2017 recommending the draft Scheme of merger

The aforesaid documents are also available on the website of the Company [www.magma.co.in](http://www.magma.co.in) at its weblink i.e. <https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/>

- (ix) Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement;

Pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 approval of Stock Exchanges is not required for the said merger. However, disclosure w.r.t. proposed merger was given to Stock Exchanges on 20 June 2017.

Disclosure pertaining to proposed merger is also being given to Reserve Bank of India (RBI) for information purpose.

Notice under Section 233(1) for inviting objections or suggestions has been given to Official Liquidator and Registrar of Companies, West Bengal.

By Order of the Board of Directors  
For **Magma Fincorp Limited**

**Registered Office:**  
**Magma House,**  
**24 Park Street,**  
**Kolkata-700016**  
**Date : 20 June 2017**

**Shabnum Zaman**  
**Company Secretary**  
**ACS: 13918**

## SCHEME OF MERGER

### UNDER SECTION 230 READ WITH SECTION 233 OF THE COMPANIES ACT, 2013 BETWEEN MAGMA ADVISORY SERVICES LIMITED (TRANSFEROR COMPANY) WITH MAGMA FINCORP LIMITED (TRANSFeree COMPANY)

#### PREAMBLE

1. The Scheme of Merger (hereinafter referred to as the "Scheme") is presented under section 230, read with section 233 of the Companies Act, 2013 ("Act"), and such other provisions of law as may be applicable, and the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 or other applicable rules, and provides for the merger of Magma Advisory Services Limited ("MASL") hereinafter referred to as 'Transferor Company' into Magma Fincorp Limited ("MFL" or "the Transferee Company").
2. MASL is a public limited company incorporated on 21 May, 2012, under the provisions of the Companies Act, 1956 having CIN: U74999WB2012PLC181922 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.
3. MASL was incorporated as a wholly owned subsidiary of MFL. The main objects as stated in its Memorandum of Association are as follows:
  - a. To act as service provider of all kinds of services either by its own resources or by outsourcing including but not limited to providing manpower services, advisory services, annual maintenance contracts, marketing, market research and analysis, marketing support, market planning services to other organizations, training, customer forecasting & statistical analysis, tracking of customers spending pattern, understanding customer needs, compiling customer database etc;
  - b. To carry on business as advisers and/or consultants on matters relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labour, statistical organization, methods, quality control and data processing, technical know-how, operations, manufacture, production, storage, distribution, sale and purchase of goods, property and other activities of and in relation to any business, trade, commerce, industry, mine and agriculture upon the means, methods and procedures for the establishment, construction, development, improvement and expansion of business, trade, commerce, industry, agriculture, building, plant or machineries and or systems, methods, techniques process, principles in relation to the forgoing and to carry on business of rendering services on any one or more of aforesaid and allied matters aforesaid.
4. MFL is a listed public limited company incorporated on December, 1978, under the provisions of the Companies Act, 1956 having CIN: L51504WB1978PLC031813 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal. The Company is registered with the Reserve Bank of India as a systemically important non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
5. MFL considers its total experience in financing business to be more than 25 years i.e. from 1988 onwards. Over the past 25 years, MFL has grown from a lease financing company to one of the leading retail financing NBFCs in India with diversified portfolio of products which currently include vehicle finance, construction equipment finance, MSME finance and loan against property serving predominantly the underserved and the under-banked sections of the population. The main object of the Company as stated in its Memorandum of Association are as follows:
  - a. To carry on business as agents, importers, exporters, dealers, traders, stockists, brokers, buyers, sellers, manufacturers, repairers, assemblers or hirers of \*(all movables, immovables, items articles, commodities including industrial consumable, domestic and agricultural products etc.) plants, machinery, equipments, accessories or raw materials required by industries, workshops, transporters, railways or for agricultural, plantations, handling, excavation, domestic, fabrication, or irrigation purposes and to acquire, construct, hire, decorate, maintain or own land, workshops, factories, shops, show rooms, office, rights or agencies required for or in connection with any such business.
  - b. To acquire by purchase, lease, exchange, hire or otherwise develop or operate land, buildings and hereditament of any tenure or description including agricultural land, mines, quarries, tea or coffee gardens, farms, gardens, orchards, groves, plantations and any estate or interest therein, and any right over of connected with land and buildings so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, rooms, flats, houses, restaurants, markets, shops, workshops, mills, factories, warehouses, cold storages, wharves, godowns, offices, hostels, gardens, swimming pools, play-grounds, buildings works and conveniences of all kinds and by leasing, hiring or disposing of the same, and to manage land, building and other properties, whether belonging to the Company or not, and to collect rents and income, and to supply tenants and occupiers and others refreshments, attendance, light, waiting rooms, reading rooms, meeting rooms, electric conveniences and other advantages.
  - c. Subject to i.e. provisions of Sections 58A or the Act, to act as investors, guarantors, underwriters, financiers and, to lend (whether on security or otherwise), invest or deal with the money either with or without interest or security, including in current or deposit account with any Bank or Banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loans upon such terms and conditions as the Company may approve subject to the provisions of the Companies Act, provided the Company shall not do any banking business as defined under the Banking Regulation Act, 1949.
  - d. To carry on business as timber saw mill proprietors and timber growers, and to buy, sell, grow, prepare for market, manipulate, import, export and deal in timber, teak, ply-wood, fire wood and wood at all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber, ply-wood or other wood is used and to buy, clear, plant and work timber estates.
  - e. To carry on business as manufacturers, producers, dealers, traders, importers, stockists, distributors, or agents of GLS lamps, electric bulbs, miniature bulbs, tube lights, flood lights, flash lights, mercury vapour bulbs, and other type or types of bulbs, lamps or tubes required or used for lighting or for industrial, domestic, electronics, transport vehicles or commercial purposes and glass, shells, fittings, tubes, filaments, tungsten and molybdenum wires, caps and other materials, machineries, accessories and spares required or used for manufacture of bulbs, lamps or tubes.
  - f. To undertake and carry on the business of equipment leasing, hiring/ hire purchase, asset based finance of all kinds including granting of loans to various persons, including to individuals, Hindu Undivided Families, partnership firms, bodies corporate, co-operative societies, associations or persons, trusts and unincorporated associations for the purchase of equipment, machinery, vehicles and other assets and import leasing and to give on lease or on leave and licence basis or in any other manner all types of equipments, property and assets including land and building, all kinds of goods, articles or things including vehicles to transport human beings, livestock, cargo on land, sea and air whether experimental or otherwise, all electrical and electronic equipment, office-equipment, furniture, computers, satellites or any other capital equipment whether

- moveable or immoveable, to act as lease brokers, managers of lease portfolios and to act as general financiers whether on security or otherwise, and to undertake /participate in / share in the risks associated with such activity, if any.
- g. To carry on the business of merchant banking in all its aspects, to act as managers to the issues and offers, whether by way of public offer or otherwise, of shares, stocks, debentures, bonds, units, participation certificates, deposit certificates, notes, bills, warrants, or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to act as agents of and or dealers in the securities in the course of merchant banking business, to act as discount house for any of the securities, to act as financial consultants, advisers and counsellors in investment and capital markets, to underwrite, sub-underwrite or to provide stand by or procurement arrangements, to issue guarantees or to give any other commitments for subscription for the securities to manage portfolio investments, to provide financial and investment assistance for the Purposes herein, to act as an issue house, registrars to issue, transfer agents, for the securities, to manage and administer computer centres and clearing houses for the securities, to form syndicates or consortia of managers, agents and purchasers for or of any of the securities, to act as brokers, dealers and agents of or in connection with the securities, bullions and precious metals, to syndicate any financial arrangements whether in domestic market or on international market and whether by way of loan, guarantees and export credits; to undertake the work of factoring of bills and other commercial papers, and to, arrange and/or co-ordinate documentation and negotiation in this regard.
- h. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept or implement any takeover bids, amalgamations, acquisitions, diversification, rehabilitation or restructuring of any business, concern, undertaking, company, body corporate, partnership firm or any other association of persons whether incorporated or not, by acquisitions of shares or assets and liabilities, and whether as a going concern or as a part of the concern or otherwise as may be required having regard to the business exigencies, and to promote, procure, incorporate, form or set up concerns and undertakings whether as company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
- i. To carry on the business of portfolio investment and managing the funds of the investors by investment in various avenues like Growth Fund, Income Fund, Risk Fund, Tax Exempt Funds, Pension/Superannuation Funds and to pass on the benefits of portfolio investment to the investors as dividend, bonus, interest and to provide a complete range of personal financial services like investment planning, estate planning, tax planning, portfolio investment, consultancy/counselling services and facilities of every description capable of being provided by investment fund manager and to act as managers to the Issue of any securities and to promote form and mobilise capital.
- j. To setup, incorporate, manage, provide and/or participate in providing venture capital, technology fund, underwriting fund, or any other fund for seed capital, risk capital foundation, including giving guarantee or such other financial assistance as may be conducive for development of new enterprises, innovative methods of production and development of existing and new technology, to identify projects, project ideas, to prepare project profiles, project reports, market research, feasibility studies and reports, pre-investment studies and investigation of industries on micro and macro level, to undertake appropriate service to identify scope or potential for economic and industrial development in any particular geographical area of location whether in India or abroad, to act as Lead Managers in respect of project assignments by undertaking follow up, supervision, and coordination work at the instance, behest or on behalf, of banks, financial institutions, companies, bodies corporate and to monitor the same to the satisfaction, of the management, to act as advisor in the management of the undertakings, business enterprises, offices, trade occupations and professions by introducing modern techniques and systems and render all assistance as may be considered necessary including with regard to foreign collaboration, economic size, sources of plant and machinery and other utilities for business entrepreneurs, to undertake the services of project monitoring, project counselling and all allied activities.
- k. To carry on the business of power generation through conventional, non-conventional, and renewable sources including the establishment of thermal power plant, hydro - electric power plant, nuclear power plant, wind power plant, solar power plant and such other power plants based on any conventional, non-conventional and renewable source of energy as may be developed or invented, or by the installation / purchase or hiring or financing of Wind Turbine Generator, Wind Electric Generator or any other type of Generators, equipments, plants and machineries and to generate, receive, transmit, sell, use, distribute, produce and supply power and all forms of energy including in all of its' derivative forms and to act as agents, representatives, consultants, collaborators, producers, distributors, sellers, buyers, financiers and dealers in all forms of power and energy including in all its' derivative forms.
- l. To undertake and carry on the business of servicers of loans and other facilities, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including securitization, the receivables arising out of loans (whether secured or unsecured), standard or non-performing assets and / or the lease rentals and hire charges from the leasing or hire of equipment, machinery, vehicles and other assets (whether standard or non performing) including any underlying securities (where applicable) therewith and to undertake /participate in / share in the risks associated with such activity, if any.
- m. To set up a securitization or an asset reconstruction company and undertake and carry on the business of servicers of non-performing assets, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including by issuing or acquiring security receipts, the receivables arising out of such assets (whether secured or unsecured), including any underlying securities (where applicable) therewith, disposing off the underlying security (where applicable) and to undertake / participate in/ share in the risks associated with such activity, if any.
- n. To carry on the business of a corporate agent, for an Indian insurance company or an insurance co-operative society [as defined under the Insurance Regulatory and Development Authority Act, 1999, (as amended from time to time)] whether carrying on general insurance business and / or life insurance business, including companies owned by the Central Government or State Governments or Government Corporations, by soliciting and procuring insurance business including business relating to procuring, continuance, renewal or revival of policies of insurance or by providing any other facilities including infrastructure facilities as may be required by such Indian insurance companies or insurance co-operative societies, subject to receiving of requisite approvals from the Insurance Regulation & Development Authority under the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations 2002, as amended from time to time.
6. This Scheme provides for the merger of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective Companies in the manner provided for in the Scheme.
7. As on 31st March, 2017, the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and its nominees.
8. The Transferor Company is currently holding the entire issued, subscribed and paid up capital of Magma Housing Finance Limited [Formerly Magma Housing Finance (A Public Company with Unlimited



- Liability)] (hereinafter Magma Housing Finance), therefore, Magma Housing Finance is, indirectly the wholly owned subsidiary of the Transferee Company. In addition to the above, the Transferor Company was also engaged in the business of providing services with respect to manpower management, however, the Company is not carrying out business of manpower management since the last quarter.
9. The Transferee Company as the parent would like to integrate and consolidate its subsidiary. The circumstances that justify the proposed Scheme and its main benefits are, inter-alia, summarised as under:
    - (i). To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.
    - (ii). To achieve cost savings from more focused operational efforts, rationalisation, standardisation and simplification of business processes, productivity improvements and rationalization of administrative expenses.
    - (iii). The consolidation of activities of the Transferor Company and the Transferee Company by way of merger will lead to operational synergies, greater productivity and economical operations for future growth of the Transferee Company.
    - (iv). Magma Housing Finance, currently a step-down subsidiary of the Transferee Company, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.
    - (v). The merger will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will help in increasing the competitiveness of the Transferee Company.
    - (vi). The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency and optimal utilisation of resources.
    - (vii). The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company.
    - (viii). The banks, creditors and financial institutions, if any, are not adversely affected by the proposed merger as their security and asset cover will be maintained.
  10. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date (as defined herein below).
  11. The Scheme is divided into the following parts:
    - (a) Part I which contains the definitions;
    - (b) Part II, which deals with the share capital of the Transferee Company and the Transferor Company;
    - (c) Part III, which deals with Transfer and vesting of undertakings of the Transferor Company with the Transferee Company; and
    - (d) Part IV, which deals with Accounting treatment of merger in the books of the Transferee Company
    - (e) Part V, which deals with the dissolution of the Transferor Company and the general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## PART I

### 1. DEFINITION

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1. **"Act"** means the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force; the terms "Act" and "Section" shall be construed accordingly.

- 1.2. **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April, 2017 or such other date as the Central Government or such other authority having powers to sanction the Scheme under the Applicable law, may direct.
- 1.3. **"Board of Directors"** in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.4. **"Bench"** means the Hon'ble National Company Law Tribunal (NCLT) Bench of Kolkata or such other authority empowered to sanction the Scheme as per the provisions of the Act.
- 1.5. **"Central Government"** means the Regional Director, Eastern Region.
- 1.6. **"Closing Date"** means the date or last of the dates on which the certified copy of the order of the Central Government sanctioning this Scheme is filed with the Registrar of Companies by the Transferee and the Transferor Company.
- 1.7. **"Scheme of Merger"** or "Scheme" or "The Scheme" or "This Scheme" means this Scheme of Merger in its present form or with any modification(s) approved, imposed, or directed by the Central Government.
- 1.8. **"Transferee Company"** means Magma Fincorp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.
- 1.9. **"Transferor"** means Magma Advisory Services Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Magma House, 24 Park Street, Kolkata-700016, West Bengal.
- 1.10. **"Undertaking"** shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership, flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc, in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.
- 1.11. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

## PART II

### 2. (a) SHARE CAPITAL OF THE TRANSFEROR AND TRANSFEE COMPANY

- 2.1. The share capital of the Transferee Company as on 31st March 2017 was as under:

(₹ in Lacs)	
Authorized Capital	Amount
26,50,00,000 Equity shares of ₹ 2/- each	5,300.00
5,43,00,000 Preference shares of ₹ 100/- each	54,300.00
<b>Total</b>	<b>59,600.00</b>
Issued, Subscribed and Paid-Up Capital	Amount
23,69,59,672 Equity shares of ₹ 2/- each fully paid up	4,739.19
<b>Total</b>	<b>4739.19</b>

- 2.2. The share capital of the Transferor as on 31st of March 2017 was as under:

(₹ in Lacs)	
Authorized Capital	Amount
2,50,00,000 Equity shares of ₹ 10/- each	2,500.00
4,00,00,000 Preference shares of ₹ 10/- each	4,000.00
<b>Total</b>	<b>6,500.00</b>
Issued, Subscribed and Paid-Up Capital	Amount
2,11,11,112 Equity shares of ₹ 10/- each fully paid-up	2111.11
3,55,55,556 0.01% Non-redeemable non-cumulative non-participating compulsorily convertible preference shares of ₹ 10/- each fully paid up.	3,555.56
<b>Total</b>	<b>5,666.67</b>

- 2.3. Since Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company held by the Transferee Company and/or its nominees shall stand cancelled on the Scheme being effective, that is, on the Closing Date, however, with effect from the Appointed Date.

## 2. (b) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Central Government or any other appropriate authority shall be operative and fully effective from the Appointed Date

### PART III

## TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

### 3. TRANSFER AND VESTING OF UNDERTAKING

- 3.1. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Sections 230 read with section 233, as may be applicable, of the Act, and pursuant to the orders of the Central Government or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, business and undertaking(s) of the Transferee Company.
- 3.2. With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the

day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

- 3.3. With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- 3.4. With effect from the Appointed Date, all the Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 3.5. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.
- 3.6. All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Appointed Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 3.7. It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 3.8. With effect from the Appointed Date all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 3.9. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income- tax Act, 1961.
- ## 4. CONSIDERATION
- 4.1. The entire Equity Share and Preference Share capital of the Transferor Company is held by the Transferee Company and its nominees. In other words the Transferor Company is wholly owned subsidiary of the Transferee Company. Accordingly, pursuant to this merger, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished.

- 4.2. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Further details of the accounting treatment is provided for in Para 10 of the Scheme.

#### 5. LEGAL PROCEEDINGS

- 5.1. Any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

- 5.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

#### 6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 6.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company and to which the Transferor Company is a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

- 6.2. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

#### 7. STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY

- 7.1. On the Scheme taking effect as aforesaid, the employees, if any, of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company and their employment with the Transferee Company shall be on the following terms and conditions:

- (i). The terms and conditions of service applicable to the employees shall not be less favourable than those applicable to them as on the Appointed Date;
- (ii). The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or otherwise and for all purposes will be reckoned from the date of their appointment with the Transferor Company; and
- (iii). The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Appointed Date,
- (iv). It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the

said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The Trustees including Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employee of the Transferor Company.

#### 8. PAYMENT OF TAX

All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Appointed Date under Applicable Law, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made from and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

#### 9. BANK OPERATION

Upon the Scheme being sanctioned and taking effect, all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.

#### PART IV

#### ACCOUNTING TREATMENT FOR THE MERGER IN THE BOOKS OF THE TRANSFEEE COMPANY

##### 10. ACCOUNTING TREATMENT

On the Scheme becoming effective, the accounting of the same shall be carried out by the Transferee Company, in the following manner which shall be in compliance with provisions of Accounting Standard 14 and other Accounting Standards as applicable, issued by the Institute of Chartered Accountants of India and notified by the National Advisory Committee on Accounting Standards, Ministry of Corporate Affairs vide Notification No GSR. 739(E) dated 07.12.2006, as amended from time to time.

- 10.1. In case of merger of the Transferor with the Transferee Company, accounting will be done as per pooling of interest method, because the existing Investment business of the Transferor Company shall be carried out by the Transferee Company after the Scheme is put to effect.

- 10.2. However, all the assets and all the liabilities of the Transferor Company, except the transactions with Transferee that get cancelled by virtue of this Scheme, shall be recorded in the books of the Transferee at their respective book values as appearing in the books of the Transferor.

- 10.3. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Company shall be adjusted in reserves.

##### 11. AUTHORIZED SHARE CAPITAL

- 11.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

- 11.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause.

- 11.3. 'Clause 2' of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause.

## 12. TRANSACTIONS BETWEEN APPOINTED DATE AND CLOSING DATE

With effect from the Appointed Date and up to the Closing Date:

- 12.1. The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and undertakings for and on account of and in trust for the Transferee Company;
- 12.2. Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 12.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 12.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

## 13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under clause 3 above and the continuance of proceedings by or against Transferor Company under clause 5 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till the Closing Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

## PART V

### DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### 14. DISSOLUTION OF TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up in accordance with the provisions of the Act and the Rules made thereunder.

#### 15. APPLICATION TO THE CENTRAL GOVERNMENT, OR SUCH OTHER APPROPRIATE AUTHORITY

The Transferee Company shall with all the necessary annexure, as may be required, make Applications/petitions to the Central Government under Section 230 read with Section 233, as may be applicable, of the Act, for sanctioning this Scheme of Merger. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, there is no need for filing application/petition by the Transferor Company for sanctioning the Scheme of Merger.

#### 16. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 16.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the Central Government or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company (by its Board of Directors), the Transferee Company (by its Board of Directors) and after the dissolution of the Transferor Company, the Transferee Company (by its Board of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Central Government or such other appropriate authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 16.2. The Board of Directors of the Transferor Company hereby authorise the Board of Directors of the Transferee Company or any committee thereof to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of

the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company be and is hereby authorised by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

#### 17. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to –

- 17.1. Approval of the Scheme by the requisite majority of the respective members and creditors of the Transferee Company as may be directed by the Central Government or such other appropriate authorities;
- 17.2. Sanctions and Orders under the provisions of Section 230 read with section 233, as may be applicable, of the Act being obtained by the Transferee Company from the Central Government or such other appropriate authority;
- 17.3. This Scheme shall be effective from the Appointed date as per Sections 230 read with section 233, as may be applicable, of the Act and shall be duly filed with the Registrar of Companies Kolkata, by the Transferor Company and the Transferee Company.

#### 18. REVOCATION AND SEVERABILITY

- 18.1. In the event of any of the said sanctions and approvals referred to in Clause 16 and 17 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Central Government or such other appropriate authority and/or order or orders not being passed as aforesaid before 28 February 2018 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board of Directors are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the company;
  - 18.2. If any part of this Scheme hereof is invalid, ruled illegal by any tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.
  - 18.3. The Scheme may be withdrawn by the Board of Directors of Transferor Company and Transferee Company only by mutual consent and only if such Boards of Directors jointly agree that the coming into effect of the Scheme could have adverse implication on both the Transferor Company and Transferee Company.
- #### 19. EXPENSES CONNECTED WITH THE SCHEME
- 19.1. All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



**FORM NO. CAA.10**  
**[Pursuant to section 233(1)(c) and rule 25(2)]**  
**Declaration of solvency**

1. (a) Corporate identity number (CIN) of company : L51504WB1978PLC031813  
(b) Global location number (GLN) of company: Not Applicable
2. (a) Name of the company: **MAGMA FINCORP LIMITED**  
(b) Address of the registered office of the company: Magma House, 24, Park Street, Kolkata, West Bengal – 700016 India  
(c) E-mail ID of the company: shabnum.zaman@magma.co.in
3. (a) Whether the company is listed: Yes  
(b) If listed, please specify the name(s) of the stock exchange(s) where listed:  
National Stock Exchange of India Limited  
BSE Limited
4. Date of Board of Directors' resolution approving the scheme: 20 June 2017

**Declaration of solvency**

We, the directors of M/s MAGMA FINCORP LIMITED do solemnly affirm and declare that we have made a full enquiry into the affairs of the company and have formed the opinion that the company is capable of meeting its liabilities as and when they fall due and that the company will not be rendered insolvent within a period of one year from the date of making this declaration.

We append an audited statement of company's assets and liabilities as at 31/03/2017 being the latest date of making this declaration.

We further declare that the company's audited annual accounts including the Balance Sheet have been filed upto date with the Registrar of Companies, Kolkata.

Signed for and behalf of the board of directors

Date: 20 June 2017 Place: Mumbai	Sanjay Chamria Vice Chairman & Managing Director DIN:00009894	Satya Brata Ganguly Director DIN: 00012220	V K Viswanathan Director DIN: 01782934
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**Verification**

We solemnly declare that we have made a full enquiry into the affairs of the company including the assets and liabilities of this company and that having done so and having noted that the scheme of merger or amalgamation between MAGMA FINCORP LIMITED and MAGMA ADVISORY SERVICES LIMITED (Wholly Owned Subsidiary) is proposed to be placed before the shareholders and creditors of the company for approval as per the provisions of sub-section of (1) of section 233 of the Companies Act, 2013, we make this solemn declaration believing the same to be true.

Verified this day the 20 day of June 2017

Date: 20 June 2017 Place: Mumbai	Sanjay Chamria Vice Chairman & Managing Director DIN:00009894	Satya Brata Ganguly Director DIN: 00012220	V K Viswanathan Director DIN: 01782934
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Solemnly affirmed and declared at ..... the ..... day of ....., 2017 before me.

Commissioner of Oaths and Notary Public

Attachments:

- a) Copy of board resolution
- b) Statement of assets and liabilities
- c) Auditor's report on the statement of assets and liabilities

**BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF MAGMA FINCORP LIMITED HELD AT THE CORPORATE OFFICE OF THE COMPANY AT BOARD ROOM, EQUINOX BUSINESS PARK, 2ND FLOOR, TOWER 3, OFF BKC, AMBEDKAR NAGAR, LBS MARG, KURLA WEST, MUMBAI – 400070 ON TUESDAY, 20 JUNE 2017**

**Approval of the Scheme of Merger of Wholly Owned Subsidiary Company i.e. Magma Advisory Services Limited (MASL) with the Company**

**"RESOLVED THAT**

- a) pursuant to the provisions of Sections 230 read with section 233, other applicable provisions of the Companies Act, 2013 ('Act') and rules thereunder, as amended from time to time and other applicable provisions (including any statutory modification(s) or

re-enactment(s) thereof), if any, Regulation 11 of the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 and all other applicable laws and regulations, Object Clause of Memorandum of Association of Company, the provisions provided in the Articles of Association of the Company, approval of the shareholders of the Company and subject to receipt of all relevant corporate, regulatory, governmental, judicial approvals and third party consents, the Scheme of Merger (the 'Scheme') providing for the merger of wholly owned subsidiary of the Company i.e. Magma Advisory Services Limited ("MASL") with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company, the draft of which was placed before this Meeting and duly initiated by the Company Secretary for the purpose of identification, be and is hereby considered and approved with effect from 1 April 2017, being the Appointed date and/ or Closing Date as provided in the Scheme;

- b) The Report of the Audit Committee dated 20 June 2017, recommending the Scheme, as placed before the Board duly initiated by the Company Secretary for the purpose of identification, be and is hereby considered, accepted and approved;
- c) The declaration of solvency in Form CAA 10 from the directors of the Company as placed before the Board be and is hereby considered, accepted and approved;
- d) MASL being the wholly owned subsidiary of the Company, in terms of the Scheme, the Shares held by the Company in MASL shall stand cancelled upon the Scheme becoming effective.

**RESOLVED FURTHER THAT** any of the Directors of the Company or Chief Financial Officer or Company Secretary of the Company, be and is hereby severally authorised on behalf of the Company, to sign and execute any application, petitions, affidavit, undertakings or any other documents or deeds or pleadings, as may be required to be filed for this purpose and to agree and to make such modifications/ alterations as may be required by any Authority, whether judicial or governmental, in connection with the Scheme including but not limited to submission of the same before the Competent Authority and to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the Scheme and to give effect of the same.

**RESOLVED FURTHER THAT** the Common Seal of the Company, if required, be affixed on the aforesaid documents in the presence of any one of the Directors or the Company Secretary of the Company as provided in the Articles of the Company.

**RESOLVED FURTHER THAT** any one of the Directors, Chief Financial Officer or Company Secretary of the Company, be and is hereby severally authorized on behalf of the Company to:

- a) take all steps as may be required, including without limitation to obtaining approvals and/or consents of shareholders, creditors,

banks, financial institutions, all relevant regulatory, governmental and judicial authorities and all relevant third parties, as may be required from time to time in that behalf;

- b) give such directions as they may consider necessary to settle any question or resolve any difficulty or matter arising under the Scheme or in regard to the meaning or interpretation of the Scheme or the implementation thereof and/or to review the position relating to the satisfaction of various conditions as stipulated in the said Scheme and if necessary, subject to the consent of the Board of the Company, to waive any of those conditions (to the extent permissible under law);
- c) appoint solicitors, advocates, attorneys, company secretaries, advisors, valuers, auditors, accountants, registrars, or such other persons or agencies, as may be required in relation to do or in connection with the Scheme, on such terms and conditions including as regards their fees or remuneration as they may deem fit and issue letters of appointment or vakalatnamas or authority letters in this regard;
- d) take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolution;

**RESOLVED FURTHER THAT** authority and approval of the Board of Directors be and is hereby accorded to the Management Committee of the Board of Directors to deal with the matters with respect to the proposed aforesaid merger including but not limited to obtaining of the approval from the shareholders of the Company either through convening General Meeting of the shareholders or through the Postal Ballot route and take decision in this regard.

**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies of any one of the above mentioned authorized persons to be furnished to all concerned as may be necessary and they be requested to act thereon."

## Statement I

Name of the company: MAGMA FINCORP LIMITED

### ANNEXURE

Statement of assets and liabilities as at 31/03/2017

SI No	Assets*	₹ in lacs
1	Balance at Bank	30,445.27
2	Cash in hand	5,433.09
3	Marketable securities	1.12
4	Bills receivables	-
5	Trade debtors	643.21
6	Loans & advances	10,04,786.43
7	Unpaid calls	-
8	Stock-in-trade	-
9	Capital Work in progress	548.90
10	Freehold property	1,539.80
11	Leasehold property	8.60
12	Plant and machinery	14,571.44
13	Furniture, fittings, utensils, etc.	2,195.47
14	Patents, trademarks, etc.	2,779.78
15	Investments other than marketable securities	58,021.63
16	Other property (Other assets)	444.65
	<b>Total (A)</b>	<b>11,21,419.39</b>
	(Excludes Deferred tax assets and Deferred revenue expenditure)	
	<b>Liabilities*</b>	
1	Secured on specific assets	6,86,859.03
2	Secured by floating charge(s)	-
3	Estimated cost of liquidation and other expense including interest accruing until payment of debts in full.	-
4	Unsecured creditors (amounts estimated to rank for payment)	-
a	Trade accounts	18,307.40
b	Bills payable	-
c	Accrued expense	8,706.11
d	Other liabilities	2,02,433.62
e	Contingent liabilities	29,040.60
	<b>Total (B)</b>	<b>9,45,346.76</b>
	(Excludes contingent provision against standard assets and provision for non-performing assets)	
	<b>Total assets (A)</b>	<b>11,21,419.39</b>
	<b>Total liabilities (B)</b>	<b>9,45,346.76</b>
	<b>Net Assets (A-B)</b>	<b>1,76,072.63</b>

\*All the numbers have been extracted from the audited financial statements for the year ended 31 March 2017.

Date: 20 June 2017  
Place: Mumbai

Sanjay Chamria  
Vice Chairman & Managing Director  
DIN:00009894

Satya Brata Ganguly  
Director  
DIN: 00012220

V K Viswanathan  
Director  
DIN: 01782934

To  
**The Board of Directors**  
 Magma Fincorp Limited  
 24 Park Street,  
 Kolkata 700 016,

20 June 2017

Dear Sirs,

Independent Auditors' Report on Statement of Assets and Liabilities of Magma Fincorp Limited ('the Company') as provided in Form CAA.10 pursuant to section 233(1)(c) and rule 25 (2) of Companies Act 2013 ("the Act") for onward submission to Registrar of Companies (RoC).

1. This report is issued in accordance with the terms of our engagement letter dated 16 June 2017.
2. The accompanying Statement of Assets and Liabilities of the Company as at 31 March 2017 (hereinafter referred to as the "Statement I") contains the details as required in Form CAA.10 pursuant to section 233(1)(c) and rule 25 (2) of the Act which we have initialed for identification purposes only.

#### **Management's Responsibility**

3. The preparation of the accompanying Statement I is the responsibility of the Company's Management including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the designing, implementing and maintaining internal control relevant to the preparation and presentation of Statement I, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the Act as amended from time to time and provides all the relevant information to RoC.

#### **Auditor's Responsibility**

5. Pursuant to the requirements of the Act, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the amounts in Statement I have been accurately extracted from the audited financial statements for the years ended 31 March 2017 and the computation is arithmetically correct.
6. The audited financial statements referred to in paragraph 5 above, has been audited by B S R & Co. LLP, on which we have issued an unmodified audit opinion for the years ended 31 March 2017 vide our report dated 11 May 2017. Our audit of these financial

statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

7. We conducted our examination of Statement I in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

9. Based on our examination as above, and the information and explanations given to us in this regard, in our opinion, the amounts in the Statement I have been accurately extracted from the audited financial statement for the year ended 31 March 2017 and the computation in the Statement I is mathematically accurate.

#### **Restriction on Use**

10. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable comply with the requirement of the Act and to submit the accompanying Statement to RoC and it is not to be used by any other person or used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Jayanta Mukhopadhyay**  
 Partner  
 Membership No: 055757

Enclosure: Statement I of the Company as at 31 March 2017 for onward submission to RoC in connection with the submission of solvency report as per Section 233 of the Act.

## Route Map for the 37th Annual General Meeting of the Company scheduled at 2 August 2017



### Venue

Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad,  
36A, Shakespeare Sarani, Kolkata - 700 017





**MAGMA FINCORP LIMITED**

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

Phone: +91 33-4401 7200/350 • Fax: 033-4402 7731

CIN: L51504WB1978PLC031813 • Website: www.magma.co.in

Email: shabnum.zaman@magma.co.in

**Form No. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L51504WB1978PLC031813  
 Name of the Company : Magma Fincorp Limited  
 Registered office : "Magma House", 24, Park Street, Kolkata-700 016  
 Name of the member(s) :  
 Registered address :  
 E-mail ID :  
 Folio No. / DP ID & Client ID\* :

I / We, being the member(s) of ..... shares of Magma Fincorp Limited, hereby appoint

1. Name: .....  
 Address: .....  
 E-mail ID: .....  
 Signature: .....or failing him/her .....
2. Name: .....  
 Address: .....  
 E-mail ID: .....  
 Signature: .....or failing him/her .....
3. Name: .....  
 Address: .....  
 E-mail ID: .....  
 Signature: .....or failing him/her .....

as my/our proxy to attend and vote (on a ballot or polling paper) for me/us and on my/our behalf at the Annual General Meeting of the members of the Company to be held on Wednesday, 2 August 2017 at 3.00 P.M. at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Please mention No. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2017 and the Reports of the Board of Directors and Auditors thereon.			
	To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2017 and the Report of Auditors thereon.			
2.	To declare Dividend on Equity and Preference Shares for the financial year ended 31 March 2017.			
3.	To appoint a Director in place of Mr. Sanjay Chamria (holding DIN: 00009894) who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To ratify appointment of M/s. B S R & Co. LLP, Chartered Accountants having Registration No. 101248W/W-100022 of Bangalore, as Statutory Auditors of the Company from the conclusion of the 36th AGM (2016-17) till the conclusion of the 37th AGM (2017-18) of the Company and to authorize the Board of Directors to fix their remuneration on yearly basis.			
<b>Special Business</b>				
5.	To determine the fees to be charged from the shareholders of the company for service of document through specified mode.			
6.	To approve of the Scheme of Merger of Wholly Owned Subsidiary Company i.e. Magma Advisory Services Limited with the Company.			

Signed this .....day of.....2017

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

Note : This form of Proxy in order to be effective should be duly submitted and deposited at the Registered Office of the Company, not less than (48) forty-eight hours before the commencement of the meeting.

\* Applicable for members holding shares in Electronic Form



Dear Shareholders,

**Submission of PAN details**

We request you to submit details of your Income Tax **Permanent Account Number (PAN)** as in terms of directive of Securities and Exchange Board of India, submission of these details by every participant in the Securities / Capital Market has become mandatory.

**Kindly return the slip appended below, duly filled in and signed with self-attested copies of PAN cards of all holders including joint holders, to the Company or the RTA. If you are holding shares in electronic form, please furnish these details to your Depository Participant.**

In case you have already submitted the PAN details, kindly ignore this letter.

For MAGMA FINCORP LIMITED  
**Shabnum Zaman**  
 Company Secretary  
 ACS: 13918



Name : .....

Address : .....

To

**Niche Technologies Private Limited**

Unit : Magma Fincorp Limited  
 D-511, Bagree Market, 5th Floor  
 71, B. R. B. Basu Road  
 Kolkata – 700 001.



We give below the PAN details together with self-attested photocopies of the PAN card. Kindly record the same against my/our names.

Folio No..... Tel No. ....

E-mail : .....

Name of the Shareholder	PAN	* Signature

\* In case of account holder(s) other than individuals, kindly submit an attested copy of the required authorization alongwith the specimen signatures of the authorized signatories.



Niche Technologies Private Limited  
 Unit : **Magma Fincorp Limited**  
 D-511, Bagree Market, 5th Floor  
 71, B. R. B. Basu Road  
 Kolkata – 700 001.

**Re. : Payment of Dividend through NECS**

# I wish to participate in the National Electronic Clearing Service (NECS) introduced by the Reserve Bank of India.

# I do not wish to participate in the NECS. However, kindly print the bank particulars given below on the Dividend Warrant being issued to me.

1. Registered Folio No. : .....
2. Shareholder' s Name : .....
3. Shareholder's Address : .....
4. Income Tax Permanent Account Number (PAN) : 10 digits (PAN should be latest and correct) : .....
5. Particulars of Bank : .....

  - a. Name of the Bank : .....
  - b. Branch Name and Address : .....
  - \*c. 9 digit Code Number of the Bank and Branch as appearing on the MICR cheque issued by the Bank (Please attach photocopy of a cheque or a cancelled blank cheque issued by your bank for verifying the accuracy of the code number) : 

--	--	--	--	--	--	--	--	--	--

 : .....
  - d. Account type (Please tick) :  Savings  Current  Cash Credit
  - e. Account No. (as appearing on the MICR cheque book) : .....

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment is delayed or not effected at all for any reason(s) beyond the control of the Company, I will not hold the Company responsible.

Date: .....

Signature of the First Holder

# Delete whichever is not applicable.

\* The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.







## MAGMA FINCORP LIMITED

CIN : L51504WB1978PLC031813, Registered Office : "MAGMA HOUSE", 24, Park Street,  
Kolkata - 700 016, Website : [www.magma.co.in](http://www.magma.co.in), Phone No.:91 33 4401 7350/7200, Fax: 033 4402 7731  
Email: [shabnum.zaman@magma.co.in](mailto:shabnum.zaman@magma.co.in)

### ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

**DATE : 2 AUGUST 2017**

**TIME: 3:00 P.M**

**VENUE: SITA RAM SEKSARIA AUDITORIUM, BHARATIYA BHASHA PARISHAD, 36A, SHAKESPEARE  
SARANI, KOLKATA-700 017**

**Envelope No.:**

Name and Registered address :  
of sole / first named member

Name(s) of Joint Holders, if any :

Ledger Folio/DP ID & Client ID No :

Number of Shares held :

Please tick in the box  Member  Proxy

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Name of the Proxy in Block Letter

\_\_\_\_\_  
Proxy's Signature

Note : Shareholder / Proxyholder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand over at the entrance duly signed.

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**The Electronic Voting Particulars are set out below:**

EVEN (Electronic Voting Event Number)	User ID	PASSWORD

The E-voting facility will be available during the following voting period:

Remote e-Voting Start On	Remote e-Voting End On
30 July 2017 at 09:00 A.M. (IST)	01 August 2017 at 5:00 P.M. (IST)

Please read the instructions mentioned in the Notice of the AGM before exercising your vote.