

Summary of the Proposed Combination

[In terms of Regulation 13(1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations), 2011 (as amended)]

A. Name of the parties to the combination

1. The names of the parties to the combination are:
 - (a) Rising Sun Holdings Private Limited (“**Acquirer**”);
 - (b) Magma Fincorp Limited (“**Target**”);
 - (c) Mr Sanjay Chamria; and
 - (d) Mr Mayank Poddar.

Mr Sanjay Chamria and Mr Mayank Poddar are the existing promoters of the Target and are collectively referred to as the “**PACs**”. The Acquirer, Target and the PACs are collectively referred to as the “**Parties**”.

B. The nature and purpose of the combination

2. The proposed combination relates to the acquisition of 60% shareholding by the Acquirer and 4.68% shareholding by the PACs in their capacity as “persons acting concert” (“**PAC**”) of the Target by way of preferential allotment of equity shares. (“**Proposed Combination**”). The Proposed Combination is an acquisition of shares and falls under Section 5(a) of the Competition Act, 2002.
3. The Proposed Combination is proposed to be undertaken to enable the Acquirer to achieve higher efficiencies in its existing businesses in the financial lending

space as well as expand and diversify its operations in other business areas where the Target is present. The Proposed Combination will also create operational efficiencies among the activities of the Parties.

C. The products, services and business(es) of the Parties to the combination

Acquirer

4. The Acquirer is a private limited company and primarily engaged in making investments, leasing property on rent and information sharing / business referencing. It is part of Mr Adar Poonawalla's Rising Sun group of companies.
5. The Acquirer is present in the financial services sector through its subsidiary, Poonawalla Finance Private Limited, which is a systemically important non-deposit taking non-banking finance company ("NBFC"). The Acquirer is also engaged in business activities in relation to the provision of rental accommodation, production of hygiene products, exhibiting art and cultural artifacts, and providing management consultancy services through its subsidiaries and associate entities.

Target

6. The Target is a public limited company and a systemically important non-deposit taking NBFC. The Target, along with its subsidiaries and joint ventures, offers a bouquet of financial products including commercial finance, agri finance, SME finance, mortgage finance and general insurance with focus on the rural and semi-urban sectors.

D. The respective markets in which the parties to the combination operate

7. The Parties submit that a precise definition of the relevant market(s) will not be required, given that the Proposed Combination will not have any appreciable adverse effect on competition in India, irrespective of how the relevant market(s) are defined.
8. However, to assist the Hon'ble Competition Commission of India in its assessment, of the Proposed Combination, the relevant markets could be defined as:
 - i. the market for the provision of loans in India (*broad relevant market*); and
 - ii. the market for the provision of loans to micro, small and medium enterprises in India (*narrow relevant market*).
