

16 January 2018

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

(Company Code - 524000)

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

(Symbol - MAGMA)

Dear Sir,

Sub: Notice of the NCLT convened meetings pursuant to the Order dated 10 January 2018

In terms of the regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith notices of the meetings of the Equity Shareholders, Secured Creditors, Unsecured Creditors and Debentureholders of the Company to be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday, 17 February, 2018, at 11 A.M., 12 Noon, 1 P.M. and 2 P.M. respectively for the purpose of considering, and if thought fit, approving, with or without modification, the proposed amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company"). The same is being convened pursuant to an Order dated 10 January 2018 of the National Company Law Tribunal, Bench at Kolkata ("NCLT") in CA (CAA) No. 522/KB/2017.

The Company is providing the facility of remote e-voting (facility to cast vote from a place other than the venue of the meeting) and postal ballot to the Equity Shareholders to cast their votes electronically or through postal ballot on the resolution set forth in the Notice. The remote e-voting and voting by Postal Ballot will commence from Thursday, 18 January 2018, 9:00 A.M. (IST) and shall end on Friday, 16 February 2018, 5:00 P.M. (IST). Members of the Company holding shares either in physical or in dematerialized form as on the cut off date only i.e., 29 December, 2017, shall be entitled to exercise their votes. A separate facility for voting through ballot papers shall also be made available at the venue of the meeting.

In case of Secured Creditors, Unsecured Creditors and Debentureholders of the Company, the voting shall be carried out through Postal Ballot or through ballot papers at the venue of the meetings.



Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
Tel : 91 33 4401 7350 / 7200
Fax : 91 33 4401 7313
CIN : L51504WB1978PLC031813
Web: www.magma.co.in



The NCLT has appointed Mr. B L Sinha, Chartered Accountant, to be the Chairperson of the aforesaid said meetings including any adjournment thereof. The NCLT has appointed Mr. Anil Murarka, Practicing Company Secretary, as Scrutinizer for conducting the remote e-voting process/ postal ballot and voting through Ballot Paper at the venue of the meeting in a fair and transparent manner.

The said notices is also hosted on the website of the Company at <https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/>

Kindly take the same on record.

Thanking You,
For Magma Fincorp Limited


Shabnum Zaman
Company Secretary
ACS No. 13918

Encl: As above

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

NOTICE OF THE NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF MAGMA FINCORP LIMITED

(convened pursuant to the order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	:	Saturday
Date	:	17 February 2018
Time	:	11:00 A.M.
Venue	:	Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017

POSTAL BALLOT AND REMOTE E-VOTING

Start Date and Time	:	Thursday, 18 January 2018, 9:00 A.M.
End Date and Time	:	Friday, 16 February 2018, 5:00 P.M.

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FORM NO. CAA.2

[Pursuant to Section 230(3) and rule 6 and 7]

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CINL51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN:L51504WB1978PLC031813

a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF MAGMA FINCORP LIMITED

To,

The Equity Shareholder(s) of Magma Fincorp Limited ("MFL" or "Applicant Company" or "Transferee Company" or "Company")

Notice is hereby given that by an Order made on the 10th day of January, 2018 in the above mentioned Company Application, The Hon'ble National Company Law Tribunal, Kolkata Bench ("**NCLT**") has directed that a meeting to be held of the Equity Shareholders of the Magma Fincorp Limited at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February, 2018 at 11:00 A.M. ("**NCLT Convened Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the proposed amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Equity Shareholders of the Transferee Company will be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday, 17 February, 2018 at 11:00 A.M. at which time and place the Equity Shareholders of the Applicant Company are requested to attend and to consider and if thought fit, pass the following resolution, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re- enactment thereof) to the extent notified and applicable; enabling provisions in the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Kolkata Bench ("**NCLT**"), and subject to the approval of any statutory/regulatory authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities while granting such consent, approvals and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board), approval of the shareholders of the Company be and hereby accorded to the proposed Scheme of Amalgamation between Magma ITL Finance Limited and Magma Fincorp Limited and their respective shareholders in accordance with and on the terms and conditions as stated in the Scheme of Amalgamation, the copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification and the salient terms of which have been stated in the Explanatory Statement annexed to thenotice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions and to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme of Amalgamation, to make or accept such alterations or changes

or modifications in the Scheme of Amalgamation as may be advised by the regulatory authorities.”

TAKE FURTHER NOTICE that the Equity Shareholders entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at “Magma House”, 24, Park Street, Kolkata- 700016, not later than 48 hours before the scheduled time of the commencement of the said meeting. The form of proxy can be obtained free of cost from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

TAKE FURTHER NOTICE that in compliance of the provision of Section 230(4) read with Section 108 and Section 110 of the Companies Act, 2013 read with rule 20 and 22 of the Companies (Management and Administrations) Rules, 2014 and rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, the Applicant Company has also provided the facility of remote e-voting (facility to cast vote from a place other than the venue of the meeting and postal ballot to the members to cast their votes electronically or through postal ballot on the resolution set forth in this Notice.

A separate facility for voting through ballot papers shall be made available at the venue of the meeting. Accordingly, you may cast your vote either electronically, i.e. through remote e-voting or by postal ballot or through ballot paper at the venue of the meeting. Please note that each Equity Shareholder can opt for only one mode of voting i.e. either voting at the venue of the meeting or remote e-voting/postal ballot, as mentioned above. If you opt for remote e-voting/postal ballot, then do not vote at the venue of the meeting. In case of the Equity Shareholders exercising their right to vote by more than one mode, then remote e-voting/postal ballot shall prevail over voting done by the said Equity Shareholder at the venue of the meeting and the vote cast at the venue of the meeting by that Equity Shareholder shall be treated as invalid.

It is clarified that casting of votes by remote e-voting/postal ballot does not disentitle an equity shareholder from attending the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

The NCLT has appointed Mr. B L Sinha, Chartered Accountant, to be the Chairman of the said meeting including any adjournment thereof. The NCLT has appointed Mr. Anil Murarka, Practising Company Secretary, as Scrutinizer for conducting the remote e-voting process/ postal ballot and voting through Ballot Paper at the venue of the meeting in a fair and transparent manner.

The Scheme, if approved in the aforesaid meeting, will be subject to the approval of the NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Place: Kolkata

Date: 11 January, 2018

Registered Office:

Magma Fincorp Limited

CIN:L51504WB1978PLC031813

“Magma House”, 24, Park Street, Kolkata- 700016, West Bengal.

Email: secretary@magma.co.in, Website: www.magma.co.in

B. L. Sinha

Chairman appointed for the meeting

Notes for NCLT Convened Meeting:

- 1) **AN EQUITY SHAREHOLDER OF THE APPLICANT COMPANY ENTITLED TO ATTEND AND VOTE AT THE NCLT CONVENED MEETING (THE“MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of members not exceeding fifty member and holding in aggregate not more than ten percent of the total share capital of the Applicant Company carrying voting rights. A member holding more than ten percent of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- 2) All alterations made in the Proxy From should be initialed.
- 3) Explanatory Statement for the proposed Resolution pursuant to Sections 230(3), 232 and 102 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts forms part of this Notice. Also all the annexures as mentioned above in the index and attached to this notice forms part of the Notice.
- 4) The voting period for Postal Ballot/remote e-voting commences on Thursday, 18 January, 2018(9.00 A.M.) IST and ends on Friday, 16 February 2018 (5.00P.M.) IST.

Only Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative of a body corporate under Sections 112 and 113 of the Companies Act, 2013) at the NCLT Convened Meeting. The Authorised Representative of a body corporate which is a Equity Shareholder of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013/Power of Attorney/ Letter of Authority or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the Court Convened Meeting.

- 5) Equity Shareholders of the Applicant Company are informed that in case of joint holders attending the meeting; only such joint holder whose name stands first in the Register of Members of the Applicant Company or list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) in respect of such joint holding will be entitled to vote.
- 6) The Equity Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of the attendance at the meeting.
- 7) The Applicant Company has engaged the services of NSDL for facilitating remote e-voting of the said meeting to be held on Saturday, 17 February 2018.
- 8) The Equity Shareholders of the Applicant Company whose names appear in the records of the Company as on 29 December 2017 shall be eligible to attend and vote at the meeting of the Equity Shareholders of the Applicant Company or cast their votes by using the remote e-voting facility. Person who are not the Equity Shareholder of the Applicant Company as on the cut off date should treat this notice for information purposes only.
- 9) In terms of the directions contained in the Order dated 10 January 2018, the quorum for the Meeting shall be 30 (thirty) Equity Shareholders of the Applicant Company, present either in person or by proxy.
- 10) The notice together with the documents accompanying the same, is being sent to all Equity Shareholders, whose name appeared in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited by email whose email addresses are registered with the Applicant Company/ Registrar and Share Transfer Agents (RTA) / Depository Participants. Physical copies of the Notice of the meeting along with documents accompanying the same is being sent to all equity shareholders who have not registered their email addresses or have requested for a physical copy. This notice of the Meeting of the Equity Shareholders of the Applicant Company is also displayed/uploaded on the website of the Applicant Company at www.magma.co.in. and on the website of the NSDL at www.evoting.nsdl.com

Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Equity Shareholders as on Friday, 29 December 2017 i.e. the cut-off date.

- 11) The queries, if any, related to the Scheme should be sent to the Applicant Company in the name of Ms. Shabnum Zaman, Company Secretary at its registered office at least 7 (seven) days before the meeting.
- 12) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders of

the Applicant Company at the registered office of the Applicant Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 12.00 Noon upto the date of the meeting i.e. Saturday, 17 February 2018.

- 13) Equity Shareholders can opt for only one mode of voting i.e. either physically at the Meeting or by remote e-voting/postal ballot process. Please note that Equity Shareholders who have voted through remote e-voting/postal ballot may still attend the meeting, however, they shall not be allowed to vote again at the meeting.
- 14) In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the Notice have been approved at the Meeting by a majority of persons representing three fourth in value of such equity shareholders of the Applicant Company, voting in person or by proxy or through postal ballot or remote e-voting.
- 15) Mr. Anil Murarka, Practicing Company Secretary, has been appointed as the scrutinizer for scrutinizing the process of remote e-voting/postal ballot and voting at the venue of the meeting in a fair and transparent manner. The scrutinizer shall immediately after the conclusion of the meeting, count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of atleast two witness not in the employment of the Company. The scrutinizer shall submit a consolidated scrutinizer's Report of the total vote cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting to the Chairman of the meeting or any other person authorised by the Chairman of the Meeting. Thereafter, the Results of the remote e-voting/postal ballot and voting at the venue of the meeting shall be declared by the Chairman of the Meeting or the person authorised by the Chairman. The Result declared along with the Scrutinizer Report shall be placed on the website of the Applicant Company at www.magma.co.in. and also be displayed on the Notice Board of the Applicant Company at the Registered Office and on the website of NSDL at www.evoting.nsdl.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the shares of the Transferee Company are listed.
- 16) During the period beginning 24 (Twenty Four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any during the business hours of the Applicant Company, provided that not less than 3 (Three) days' notice in writing is given to the Applicant Company.
- 17) **Notes for remote E-Voting:**
 - i. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company is pleased to offer remote e-voting facility as alternate mode of voting, for its equity shareholders, to enable them to cast their votes electronically. Remote e-voting option is optional. For this purpose necessary arrangements have been made with NSDL to facilitate remote e-voting.
 - ii. The remote e-voting period begins on Thursday, 18 January, 2018 (9.00 A.M.) IST and ends on Friday, 16 February 2018 (5.00 P.M.) IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 29 December 2017, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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.nsdl.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 anilmurarka@gmail.com or shabnum.zaman@magma.co.in with a copy marked to 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.nsdl.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. 29 December 2017, may obtain the login ID and password by sending a request at 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.nsdl.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 Court Convened Meeting (for members whose email addresses are not registered with the Applicant 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) of A above, to cast vote.

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

Explanatory Statement under Sections 230(3), 232 and Section 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. In this statement Magma ITL Finance Limited is referred to as the "Transferor Company" or "MITL" and Magma Fincorp Limited as the "Transferee Company" or "MFL" and collectively, they are referred to as the "Applicant Companies". The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders (herein after referred to as the "Scheme" or "Scheme of Amalgamation") will also apply to this statement under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement").
2. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof). The Transferor Company is a wholly owned subsidiary of the Transferee Company. Though the proposed Scheme of Amalgamation is between a holding Company and its wholly owned subsidiary, the Applicants have decided to use the provisions of Section 232 of the Companies Act, 2013 for the approval of the Scheme of Amalgamation as provided in Section 233 (14) of the Companies Act, 2013. The same have been decided to do so in view of the Transferee Company being a listed Company and having large number of Shareholders and creditors, thereby involving large public interest.
3. Pursuant to an Order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata ("NCLT") in CA(CAA) NO. 522/KB/2017 referred to hereinabove, meeting of Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies are being convened and held for the purposes of considering and, if thought fit, approving the amalgamation embodied in the Scheme between the Transferor Company and the Transferee Company and their respective shareholders. The meeting of the Equity Shareholders of the Transferor Company has been dispensed with by the order of NCLT. The details of the NCLT direction regarding calling, convening and conducting of the meetings are as follows:

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Equity Shareholders of Magma Fincorp Limited	Date: 17 February 2018 Time: 11:00 A.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Secured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 12:00 Noon Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 1:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Debenture Holders of Magma Fincorp Limited	Date: 17 February 2018 Time: 2:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Secured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 3:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 4:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

4. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Equity Shareholders and Debenture Holders of the Transferee Company and the Secured Creditors and Unsecured Creditors of each of the Applicant Companies, voting in person or by proxy or by postal ballot or remote e-voting, as applicable, agree to the Scheme.
5. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, approved by Board of Directors of the Applicant Companies at their respective meetings held on 28 October 2017 of MITL and 9 November 2017 of MFL is attached to this Explanatory Statement and forms part of this statement. A copy of the Scheme has also been filed with the Registrar of Companies, West Bengal.
6. **Background of the Companies:**

I. Magma Fincorp Limited

- a. Magma Fincorp Limited is a listed public limited Company which was originally incorporated on 18th December, 1978 as a private limited Company in the name and style of "ARM GROUP ENTERPRISES PRIVATE LIMITED" under the Companies Act, 1956. Subsequently on 30th of October, 1980, the Company was converted to a Public Limited Company and the name was changed to "ARM GROUP ENTERPRISES LIMITED". Thereafter on the 24th of August, 1993, the name of the Company was changed to "MAGMA LEASING LIMITED" and again on the 19th June, 2007, the name of the Company was changed to "MAGMA SHRACHI FINANCE LIMITED". Thereafter again on 1st July, 2008, the name of the Company was finally changed to "MAGMA FINCORP LIMITED". Since then the Company is carrying out business in the name of "MAGMA FINCORP LIMITED" with CIN:L51504WB1978PLC031813, PAN:AABCM9445K 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 email address of the Transferee Company is secretary@magma.co.in.
- b. There has been no change in the registered office of the Transferee Company since the last 5 (Five) years.
- c. There has been no change in the name of the Transferee Company since the last 5 (Five) years.
- d. The following are the details of the promoters of the Transferee Company:

Sl No.	Name of the Promoter	Address
1.	Celica Developers Private Limited	24, Park Street, Kolkata-700016
2.	Microfirm Capital Private Limited	24, Park Street, Kolkata-700016
3.	Columbine Decorative & Marketing Private Limited	24, Park Street, Kolkata-700016
4.	Ashita Poddar	24, Park Street, Kolkata-700016
5.	Kalpana Poddar	24, Park Street, Kolkata-700016
6.	Mansi Poddar	24, Park Street, Kolkata-700016
7.	Shaili Poddar	24, Park Street, Kolkata-700016

- e. The shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- f. As on 30th September, 2017 an amount of Rs. 6,04,132.36 lakhs and Rs. 1,20,049.27 lakhs was due to Secured and Unsecured Creditors respectively of the Transferee Company. The Transferee Company shall repay the Secured and Unsecured Creditors in normal course of business. The Transferee Company also has outstanding debentures of Rs. 1,18,710 lakhs as on 30th September, 2017.

- g. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 30th September, 2017 is as under:

Particulars	Amount (Rs)
Authorized share capital	
26,50,00,000 Equity shares of Rs. 2 each	53,00,00,000
543,00,00,000 Preference Shares of Rs.100 each	543,00,00,000
Total	596,00,00,000
Issued, subscribed and paid-up share capital	
23,69,73,672 Equity shares of Rs.2 each	47,39,47,344
Total	47,39,47,344

- h. The main objects of the Transferee Company as set out in its Memorandum of Association is as under:
- 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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 immovable, 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.

There has been no change in the object clause of the Transferee Company since the last 5(Five) years.

- i. The Transferee Company is primarily engaged in the business of Assets Financing.

II. Magma ITL Finance Limited

- a. Magma ITL Finance Limited is a public limited Company, incorporated on 1st November, 2007 under the Companies Act, 1956 with CIN:U65910WB2007PLC120137, PAN: AAFCM2742R 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 email address of the Transferor Company is stuti.pithisaria@magma.co.in
- b. There has been no change in the registered office of the Transferor Company since last 5 (Five) years.
- c. There has been no change in the name of the Transferor Company since the last 5 (Five) years.
- d. The shares of the Transferor Company are not listed. The Transferor Company is wholly owned subsidiary of the Transferee Company.
- e. The following are the details of the promoters of the Transferor Company:

Sl. No.	Name of promoter	Address
1.	Magma Fincorp Limited	"Magma House", 24, Park Street, Kolkata- 700016

- f. As on 30th September, 2017 a total of Rs. 20,694.35 lakhs and Rs. 12,025.01 lakhs was due to Secured and Unsecured Creditors respectively of the Transferor Company.
- g. The authorized, issued, subscribed and paid-up share capital of Transferor Company, as on 30th September, 2017 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
17,50,00,000 equity shares of Rs. 10 each	175,00,00,000
Total	175,00,00,000
Issued, subscribed and paid-up share capital	
4,50,00,000 equity shares of Rs. 10 each	45,00,00,000
Total	45,00,00,000

- h. The main objects of the Transferor Company as set out in its Memorandum of Association is as under:
- a. To carry on and undertake business as financiers to finance operations of tractors whether by managing, purchasing, selling, hiring, letting on hire, and dealing in all kinds of property, movable or immovable, goods, chattels, motor-cars, motor-buses, motor-lorries, lands, bullion, stocks, shares, Government Bonds, and marketing and distribution of all kinds of financial products, including extending various types of retail loans and products as well as market various financial products and offering and/or marketing of insurance products, to various potential customers in the agricultural sector.
 - b. 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.
 - c. To act as investors, guarantors, underwriters, financiers and, to lend 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 take 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 the business of equipment leasing, hiring, hire-purchase, asset based finance of all kinds including 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
 - e. 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 counselors 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.
 - f. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept, or implement any takeover bids, mergers, 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 acquisition of shares or assets and liabilities, and whether as a going concern or as a part of concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation, formation or setting up of concerns and undertaking whether as Company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
 - g. To carry on the business of arranging, organizing, executing all kind of financial activities and services such as bill discounting, factoring, loan syndication to purchase book debts and receivables for companies and lend and give credit against the same, project financing, turnkey projects, undertake venture capital funding, promoters funding, funding of securities of all types, industrial financing and commercial financing, money management, corporate takeovers, financing against securities, trade finance, consumer finance and inter corporate loan and deposits, issue of guarantee or indemnity bonds in India and Abroad and act as general financiers.
 - h. To act as financial consultants and provide advisory services in various fields like finance management, investments,

projects, capital market portfolio, corporate matters, accountancy, business commercial, administrative, secretarial, public relations, scientific, technical, statistical, economic, industrial, insurance valuer, legal including taxation laws, data processing and quality control.

- i. To carry on business of financing by advancing money with or without securities upon such terms and conditions as the Company may think fit to any individual, firm, Company or any other enterprises, provided that the Company shall not carry on Banking business as defined in the Banking Regulations Act, 1949 or any statutory modification thereof.
- j. 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.

There has been no change in the object clause of the Transferor Company in the last 5(Five) years.

- i. The Transferor Company is primarily engaged in the business of Tractor Financing.

7. Rationale and Benefits of the Scheme

The rationale for the Scheme are briefly stated below:

- 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. 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.
- v. 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.
- vi. 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.
- vii. 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.

8. Salient features of the Scheme are set out asbelow:

- a) The Scheme envisages the Amalgamation of Magma ITL Finance Limited, as a "going concern" with Magma Fincorp Limited pursuant to Sections 230 to 232 read with Section 233 and other applicable provisions, if any of the Companies Act, 2013.
- b) The Transferor Company is a wholly owned subsidiary of the Transferee Company. Since the entire share capital of the Transferor Company is held by the Transferee Company and its nominees, there shall be no issue of shares by the Transferee Company in respect of its holding in the Transferor Company pursuant to the amalgamation under this Scheme. Upon the Scheme becoming effective, the entire paid up share capital of the Transferor Company, shall be cancelled and extinguished.
- c) The Appointed Date for the purpose of the Scheme and for Income Tax Act, 1961 shall be 1st October, 2017 and the Effective Date means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- d) The Scheme shall be effective subject to the receipt of sanctions, approvals and consents as laid down therein.
- e) Some of the important clauses of the Scheme are reproduced herein below:
 - (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the Appointed

Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.

- (b) Without prejudice to the provisions of 3.2.1 (a) of the Scheme, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) of the Scheme, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- (f) On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (g) With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HERewith) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.

9. Relationship subsisting between the Companies who are Parties to the Scheme:

The Transferor Company is wholly owned subsidiary of the Transferee Company.

10. Board Meeting

Transferee Company:

The Scheme was approved by the Board of Directors of the Transferee Company at its meeting held on 9th November, 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferee Company who were present at the meeting, i.e. Mr. Narayan K Seshadri, Mr. Mayank Poddar, Mr. Sanjay Chamria, Mr. Nabankur Gupta, Mr. Satya Brata Ganguly, Mr. V K Viswanathan and Ms. Madhumita Dutta-Sen voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferee Company who attended and voted at the meeting.

Transferor Company:

The Scheme was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferor Company who were present at the meeting, i.e. Mr. Mayank Poddar, Mr. Satya Brata Ganguly and Mr. Sumit Binani voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferor Company who attended and voted at the meeting.

11. Effect of the Scheme

i. Key Managerial Personnel

The Scheme does not affect the Key Managerial Personnel of the Transferee Company. The Key Managerial Personnel of the Transferor Company shall be transferred to and be engaged by the Transferee Company, without any interruption of services and on such terms and conditions as are no less favourable than the Transferee Company and without any interruption of service as a result of the amalgamation. Notwithstanding the aforementioned, the Key Managerial Personnel of the Transferor Company may not be appointed as the Key Managerial Personnel of the Transferee Company.

ii. Directors

The Scheme does not affect the Directors of the Transferee Company except for their limited interests as Directors of Transferor Company. The Directors of the Transferee Company shall continue to hold their position as Director on the Board of the Transferee Company. The Directors of the Transferor Company shall cease to be Directors of the Transferor Company, consequent to dissolution of the Transferor Company upon the Scheme becoming effective.

iii. Promoters and Non-Promoters

The Transferor Company is wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominee and the same shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to Transferor Company. Further, Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

iv. Depositors and Deposit Trustee:

There are no depositors and Deposit Trustee in the Transferee Company or the Transferor Company.

v. Creditors and Debentureholders and Debenture Trustee :

The rights and interests of Secured Creditors and Unsecured Creditors including the Debenture Holders and Debenture Trustee of the Transferee Company or the secured and unsecured Creditors of the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner post the Scheme.

vi. Employees: Upon the coming into effect of this Scheme:

The rights and interests of the employees of the Transferor Company will not be prejudicially affected by the Scheme as such employees will become employees of Transferee Company at the agreed terms and conditions without any break or interruption in service.

12. Disclosure about effect of compromise or amalgamation on material interests of directors, Key Managerial Personnel and debenture trustee:

The Scheme of Amalgamation has no impact on the material interests of directors and Key Managerial Personnel of the Applicant Companies and Debenture Trustees of the Transferee Company.

13. A report adopted by the directors of the Applicant Companies explaining effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any is attached herewith as 'Annexure 2'.

14. Approvals

- i. Both the Transferor Company and Transferee Company are Non-Banking Financial Companies. The Transferor Company is required to obtain prior approval of Reserve Bank of India (RBI) and accordingly an application was made to RBI. RBI vide its letter dated 17th November 2017 conveyed its "No Objection" to the proposed amalgamation of Transferor Company with the Transferee Company.
- ii. In terms of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and circular bearing No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, issued by SEBI ("SEBI Circular"), draft Scheme of Amalgamation of wholly owned subsidiaries with their parent Company shall be filed with the Stock Exchange for the purpose of disclosure only and no prior written approval of the Stock Exchanges shall be required. The Transferee Company has filed the draft Scheme of Amalgamation in terms of the aforesaid SEBI Circular to the Stock Exchanges on 21st November, 2017.

15. Valuation Report:

The Transferor Company is a wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to the shareholders of Transferor Company. Hence, there is no need for valuation of the shares of the Applicant Company.

16. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferee Company and their respective shareholdings in Transferee and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
	Directors			
1.	Mr. Narayan K Seshadri, Non-Executive Independent Chairman (DIN: 00053563)	Skylark Co-operative Housing Society Ltd. Little Gibbs Road, Malabar Hill Mumbai 400 006	NIL	NIL
2.	Mr. Mayank Poddar, Chairman Emeritus & Whole Time Director (DIN: 00009409)	24, Park Street, Kolkata – 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Mr. Sanjay Chamria, Vice Chairman & Managing Director (DIN: 00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
4.	Mr. Nabankur Gupta, Non-Executive Independent Director (DIN: 00020125)	11 Jayshree, 75 Worli Seaface, Mumbai - 400 025	5000	NIL
5.	Mr. Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata 700027	NIL	NIL
6.	Mr. V K Viswanathan, Non-Executive Independent Director (DIN: 01782934)	Legacy Caldera, #56, SRT Road, Cunningham, Cross Road, Bangalore – 560 052	1432	NIL

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
7.	Mr. Sanjay Nayar, Non-Executive Director (DIN: 00002615)	The Rushilla Co-op housing Society Limited, 17/C Carmichael Road, Mumbai – 400 026	NIL	NIL
8.	Ms. Madhumita Dutta-Sen, Non-Executive Director (DIN:07885010)	4429, Fessenden St NW, Washington, DC 20016, United States of America	NIL	NIL
Key Managerial Personnel				
9.	Mr. Kailash Baheti, Chief Financial Officer	26, Prince Anwar Shah Road, Kolkata- 700033	20000	NIL
10.	Ms. Shabnum Zaman, Company Secretary	80 B, Dr. Sudhir Bose Road, Kolkata-700023	NIL	NIL

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, none of the Directors and Key Managerial Personnel of the Transferee Company hold any shares in the Transferor Company.

17. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferor Company and their respective shareholdings in the Transferee Company and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
Directors				
1.	Sanjay Chamria, Non-Executive Chairman (DIN:00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
2.	Mayank Poddar, Non-Executive Director (DIN:00009409)	24, Park Street, Kolkata - 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata - 700027	NIL	NIL
4.	Sumit Binani, Non-Executive Independent Director (DIN: 01113411)	Sun-City Complex, 105/1, Bidhannagar Road, Kolkata- 700 067	NIL	NIL
Key Managerial Personnel				
5.	Rajesh Singhania, Chief Financial Officer	VIP Enclave, VIP Road, Baguiati, Kolkata-700059	200	NIL
6.	Stuti Pithisaria, Company Secretary	New Alipore Residency, 45A Buroshibtalla Main Road, New Alipore-700 038	NIL	NIL

The Transferor Company is a wholly owned subsidiary of the Transferee Company. For the purpose of maintaining minimum number of members, the Transferor Company has 7 shareholders. However, all the other shareholders are only nominee of the Transferee Company. Further, none of the Directors of the Transferor Company hold any shares in the Transferee Company.

18. The Directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.
19. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares will be issued by the Transferee Company. There will be no change in the paid up capital and shareholding pattern of the Transferee Company post amalgamation.
20. Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act 2013, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee

Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.

21. No investigation proceedings have been instituted or are pending under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. No winding up petitions have been admitted or filed against Applicant Company.
22. This statement may be treated as an Explanatory Statement under Section 232 of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 in respect of meeting of the Equity Shareholders of the Applicant Company.
23. On the Scheme being approved by the requisite majority of Equity Shareholders and Debenture Holders of the Transferee Company and Secured Creditors and Unsecured Creditors of each of the Applicant Companies, the Applicant Companies shall file a joint petition with the National Company Law Tribunal at Kolkata for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.
24. The Scheme is not prejudicial to the interest of the members of the Applicant Companies.
25. The following documents will be open for inspection by the members of the Applicant Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 12.00 Noon upto Saturday 17 February 2018 at its registered office;
 - a. Papers and proceedings in CA (CAA) No. 522/KB/2017 including Certified Copy of the Order of the National Company Law Tribunal at Kolkata in the said Company Application directing the convening and holding of the meeting of the Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies;
 - b. Scheme of Amalgamation;
 - c. Memorandum and Articles of Association of Transferor Company and Transferee Company;
 - d. Annual Report of Transferor Company and Transferee Company for the financial year ended 31st March, 2017;
 - e. 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.
 - f. Copy of Register of Director's Shareholdings of Applicant Companies.
26. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

Place: Kolkata

Date: 11 January, 2018

B. L. Sinha

Chairman appointed for the meeting

Registered Office:
Magma Fincorp Limited
CIN:L51504WB1978PLC031813
"Magma House", 24, Park Street, Kolkata- 700016, West Bengal.
Email: secretary@magma.co.in, Website: www.magma.co.in

SCHEME OF AMALGAMATION

UNDER SECTION 230 to 232

OF

THE COMPANIES ACT, 2013

OF

MAGMA ITL FINANCE LIMITED

- Transferor Company

WITH

MAGMA FINCORP LIMITED

- Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. DESCRIPTION OF THE COMPANIES AND THEIR BACKGROUND

1. **MAGMA ITL FINANCE LIMITED (“MITL” or the “Transferor Company”)** having Corporate Identity number U65910WB2007PLC120137 is a company incorporated on 1st November, 2007, under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal. It is a wholly owned subsidiary of Magma Fincorp Limited, the Transferee Company. The Company is registered with the Reserve Bank of India as non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
2. **MAGMA FINCORP LIMITED (“MFL” or “Transferee Company”)** having Corporate Identity Number L51504WB1978PLC031813 is a company incorporated on 18th December, 1978 under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata - 700 016, West Bengal. The Company is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
3. The equity shares of the Transferee Company are listed with both BSE Ltd and National Stock Exchange of India Limited.
4. The Transferor Company is a wholly-owned subsidiary of the Transferee Company. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

B. RATIONALE FOR THE SCHEME

The amalgamation of MITL with the Transferee Company (MFL) would, inter alia, have the following benefits:

- 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. 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.

- v. 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.
- vi. 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.
- vii. 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.

C. Parts of the Scheme

This Scheme of Amalgamation is divided into the following parts:

- 1. Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- 2. Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- 3. Part III deals with the cancellation of share capital of the Transferor Company.
- 4. Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company;
- 5. Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of MITL (the Transferor Company) with MFL (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.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless the context otherwise requires, the following expression shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013, including any statutory modifications, re-enactments or amendments for the time being in force;
- 1.2. **"Appointed Date"** means 1st October 2017;
- 1.3. **"Assets"** in relation to Transferor Company means Fixed Assets, Loans and Advances, Investments, Current Assets, Loan and Advances, debit balance in Profit and Loss account and any other Assets as per the books of the Transferor Company as at 30th September, 2017;
- 1.4. **"Board of Directors" or "Board"** means the board of directors of MFL or MITL, as the case may be, and shall include a duly constituted committee thereof
- 1.5. **"BSE"** means BSE Limited;
- 1.6. **"Effective Date"** means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with Registrar of Companies, Kolkata. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.7. **"Liabilities"** in relation to the Transferor Company means Loan Funds, Current Liabilities, Reserves and Surpluses (including balance in Profit and Loss Account) provisions and all other liabilities of the Transferor Company as per the books of the Transferor Company as at 30th September, 2017;
- 1.8. **"MITL"** means MAGMA ITL FINANCE LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.9. **"MFL"** means MAGMA FINCORP LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.10. **"NCLT" or "Tribunal"** means the National Company Law Tribunal under the Companies Act, 2013
- 1.11. **"NSE"** means National Stock Exchange of India Limited.

1.12. “Stock Exchange” means BSE and NSE.

1.13. “Scheme” means the Scheme of Amalgamation in the present form submitted to the NCLT, Kolkata Bench for sanction or with any modification(s) approved or imposed or directed by the Tribunal;

1.14. “Transferor Company” means “MITL.”

1.15. “Transferee Company” means “MFL.”

1.16. “Undertaking of Transferor Company” shall mean and include the following:

- (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, concessions, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages, of whatsoever nature and wherever situated of every description belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor Company as on the Appointed Date, and
- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to Transferor Company standing in the books of Transferor Company as on the Appointed Date as provided herein.
- (c) all records, files, papers, designs, and process information, computer programmes, manuals, data, sales and advertising materials and other records, whether in physical form or electronic form of the Transferor Company;
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- (e) Without prejudice to the generality of the foregoing mentioned hereinabove, the term “Undertaking of Transferor Company” shall include the entire business which is being carried out under the name and style of Transferor Company and shall include the advantages of whatsoever nature, agreements, contracts, entitlements, permits, permissions, registrations, allotments, approvals, arrangements, authorizations, benefits, , concessions, rights and assets, Domains, intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota rights, registration, reserves, waivers, acknowledgments and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, and all benefits including subsidies, grants, incentives, tax credits, tax deferrals, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, brands, goodwill, all other utilities held by Transferor Company or to which Transferor Company are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

2. SHARE CAPITAL:

2.2.1. MITL is a Public Limited Company. It is a wholly-owned subsidiary of MFL. The details of Capital of MITL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorized Capital:	
17,50,00,000 equity shares of Rs. 10/- each	17,500.00
Issued, Subscribed and Paid-up Capital:	
4,50,00,000 equity shares of Rs. 10/- each	4,500.00

2.2.2. MFL is a Public Limited Company listed on BSE and NSE. The details of Capital of MFL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorised Capital	
26,50,00,000 Equity shares of Rs 2/- each	5,300.00
5,43,00,000 Preference shares of Rs. 100/- each	54,300.00
Total	59,600.00
Issued, Subscribed and Paid-Up Capital	
23,69,73,672 Equity shares of Rs. 2/- each fully paid up	4,739.47
Total	4739.47

2.2.3. Subsequent to above, there is no change in the Capital Structure of Transferee or Transferor Company.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

3. TRANSFER OF "UNDERTAKING" OF TRANSFEROR COMPANY:

3.1. Generally: Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions of Section 230 and 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

3.2. Transfer of assets:

3.2.1. Without prejudice to the generality of Clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the appointed date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of 3.2.1 (a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) above, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.3. Transfer of Liabilities:

3.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description

whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.3.2.** All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 3.3.3.** Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.4.** All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.3.5.** Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.6.** 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.

3.4. Encumbrances:

- 3.4.1.** The transfer and vesting of the assets comprised in the undertaking to and in the Transferee Company under clause 3.1 and 3.2 of this scheme shall be subject to the mortgages and charged, if any, affecting the same, as and to the extent hereinafter provided.
- 3.4.2.** All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), 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 Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances 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 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.
- 3.4.3.** 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 Effective 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.

- 3.4.4.** Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 3.4.5.** It is expressly provided that, 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.
- 3.4.6.** The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.
- 3.4.7.** Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

4. INTER - SE TRANSACTIONS

Without prejudice to the provisions contained in this Scheme, 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.

5. CONTRACTS, DEEDS, ETC.:

- 4.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligor thereto or thereunder.
- 4.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 5. LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

- 6. TRANSFER OF PROFITS AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company;

7. CONDUCT OF BUSINESS:

8.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) All taxes (including income tax, GST, service tax, Value Added Tax (VAT), etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, GST, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (d) On the Scheme becoming effective, the Transferee Company shall be entitled to file/ revise its income tax returns, TDS Returns and other statutory returns, if required and shall have the right to claim refunds, depreciation benefits etc., if any, as also the income returns filed by the Transferor Company so far as is necessitated on account of the Scheme becoming effective from 1st October, 2017, being the Appointed Date under the Scheme.
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

8.2. **No changes in the terms and conditions of the employment of Transferor Company Employees:** From the date of acceptance of the Scheme by the respective Boards of Transferor Company and Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

8.3. **Enforcement of Legal Proceedings:** All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of Transferor Company or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against Transferor Company as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against Transferor Company if this Scheme had not been made. Transferee Company shall take steps to have the abovementioned proceedings continued in its name;

8.4. **Enforcement of Contracts:** Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Undertaking of Transferor Company and to which Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favor of Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of Transferor Company, Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between Transferee Company and other parties thereto. Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

8.5. **Rights of Shareholders:** The holders of shares of Transferor Company and Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

8.6. **Place of Vesting:** The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Sections 230 to 232 of the said Act, take place at the registered office of Transferee Company.

9. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

- a. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- b. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws, and other tax laws, and to claim refunds and/or credit for taxes paid/ (including Advance Tax, minimum alternate tax, tax deducted at source, wealth tax, GST inputs etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- c. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.
- d. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, applicable state value added tax laws, GST laws and other applicable laws and regulations dealing with taxes, duties, levies due to Transferor Company consequent to the assessment made to the Transferor Company and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.
- e. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, advance tax, tax deducted at source, wealth tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, Central Value Added Tax (CENVAT), registrations etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

10. EMPLOYEES OF TRANSFEROR COMPANY:

Upon the coming into effect of this Scheme:

- 10.1** Employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Company with any union/ employees of the Transferor Company and recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- 10.2** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds

and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

- 11. SAVING OF CONCLUDED TRANSACTIONS:** Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12. CREDITORS

- 12.1** The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- 12.2** The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

13. MERGER OF AUTHORIZED SHARE CAPITAL

- 13.1** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Act, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.
- 13.2** Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART III

CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

14. CANCELLATION OF SHARE CAPITAL

- 13.1** The Transferor Company, MITL is wholly owned subsidiary of the Transferee Company. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.
- 13.2** Upon the coming into effect of this scheme, the share certificates, if any, and/or the shares representing the shares held by the transferee company in the Transferor Company shall be deemed to be cancelled without any further act or deed.
- 13.3** Any sum of money owed by Transferee Company in Transferor Company or vice versa shall stand cancelled.

PART IV

ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

- 14.1 Recording of Assets and Liabilities:** All the assets and liabilities of the Transferor Company shall be transferred at their Book values at the close of the business on the Appointed Date. The reserve and surplus, if any, and debit balance in the Profit and Loss account shall be transferred to Transferee Company in the same manner in which it appears in the books of Transferor Company as on the Appointed Date. Similarly, the miscellaneous expenditure representing un-amortized preliminary expenses of the Transferor Company shall be transferred to the Transferee Company in the same manner in which they appear in the books of the concerned Transferor Company as on the Appointed Date;
- 14.2** Inter-company balances, if any, shall stand cancelled.
- 14.3 Treatment of Surplus/Deficit on account of cancellation of "Investments":** Consequent upon and simultaneously with the transfer and recording of assets and liabilities of the Transferor Company in the books of the Transferee Company, the carrying amount of "Investments" in the books of the Transferee Company in respect of its holding in the Transferor Company,

shall stand cancelled. The difference in the value of "Net Assets Transferred" and the carrying amount of Investments shall be adjusted in the reserves in accordance with the Accounting Standards or Generally Accepted Accounting Principles.

- 14.4 Treatment of difference in accounting policy:** In case any differences in any accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in accordance with the accounting policies as stated in Accounting Standard (AS) 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.
- 14.5 Procedure to deal with Balances as between Transferor Company and Transferee Company:** To the extent that there are intercompany loans, deposits, balances as between the Transferor Company and Transferee Company or vice versa, the obligation in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets and liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loan, deposit or balances, with effect from the Appointed Date.
- 14.6** The amalgamation is in the nature of merger and shall be accounted in the books of Transferee Company as per the provisions of Accounting Standard-14 issued by the Institute of Chartered Accountants of India.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

15. DISSOLUTION OF TRANSFEROR COMPANY:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

16. EFFECTIVE DATE

The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferor and the Transferee Company with the Registrar of Companies, Kolkata.

16. APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING SCHEME:

- 16.1. Joint Application by Transferor Company and Transferee Company:** Transferor Company and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Sections 230 to 232 and other applicable provisions of the said Act to the NCLT, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect;
- 16.2.** It is hereby clarified that submissions of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

17. MODIFICATIONS TO THE SCHEME:

- 17.1. Scheme subject to Modifications:** The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to;
- 17.2. Modifications and Amendments to Scheme:** The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit approve or propose;
- 17.3. Withdrawal of Scheme:** In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by Transferor Company or by Transferee Company, then Transferor Company and/or Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them;

18. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained.

- 18.1** The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the

Transferor Company and the Transferee Company, as may be directed by the Hon'ble National Company Law Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;

18.2 Sanction of NCLT, Kolkata Bench: The sanction of the National Company Law Tribunal, Kolkata Bench under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company

18.3 Approval of Reserve Bank of India: Prior written approval of Reserve Bank of India will be required to be taken by the Transferor Company. The Transferee Company is not required to take approval of Reserve Bank of India as there is no proposal for change in the shareholding pattern or paid up equity capital of the Transferee Company.

1. **Approval of SEBI and Stock Exchanges:** In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the abovesaid SEBI Notification/Circular.
2. Filing of certified copy of the order of the NCLT under clause 18.2 above with the Registrar of Companies, Kolkata, by the Transferor Company and the Transferee Company for registration;
3. Requisite sanction and/or approval of any Government or Regulatory authority as may be required under any law for the amalgamation;

19 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 18 above not being obtained, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, 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 as is specifically provided in the Scheme or may otherwise arise in law.

20 EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Company or Transferee Company, the non-performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision if any to the contrary under the Scheme.

21 COSTS AND EXPENSES:

All costs, charges and expenses of Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective companies.

22. RESIDUAL PROVISIONS:

On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this scheme.

The Scheme shall take effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

MAGMA FINCORP LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA FINCORP LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF MAGMA ITL FINANCE LIMITED WITH MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. Background:

- 1.1. The proposed Scheme of Amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferee Company at its meeting held on 9 November 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 9 November 2017 is required to be circulated along with notice convening meeting of the shareholders and/or creditors and/or debentureholders, as the case may be.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

By order of the Board
For **Magma Fincorp Limited**

Sd/-
Narayan K Seshadri
Chairman
DIN:00053563

Place: Mumbai
Date: 9 November, 2017

MAGMA ITL FINANCE LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA ITL FINANCE LIMITED ON THE SCHEME OF AMALGAMATION INTO MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

- 1.1. The proposed Scheme of Amalgamation among Magma ITL Finance Limited ("Transferor Company") into Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMP's), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 28 October 2017 is required to be circulated along with notice convening meeting of the shareholders and creditors.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferor Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (only class of shareholders) of the Transferor Company. The directors and KMPs of the Transferor Company will cease to be the directors and KMPs of the Transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the Transferee Company with effect from the effective date of the Scheme without having any adverse effect on them.

By order of the Board
For **Magma ITL Finance Limited**

Sd/-
Satya Brata Ganguly
Chairman appointed for the meeting
DIN:00012220

Place: Kolkata
Date: 28 October, 2017

Interim Condensed Balance Sheet

(₹ in lacs)

	Note No.	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,500.00	4,500.00
Reserves and surplus	4	8,922.76	8,651.52
		<u>13,422.76</u>	<u>13,151.52</u>
Non-current liabilities			
Long-term borrowings	5	15,852.94	19,135.29
Long-term provisions	6	4,753.96	2,281.96
		<u>20,606.90</u>	<u>21,417.25</u>
Current liabilities			
Short-term borrowings	7	13,270.52	22,413.80
Trade payables	8	-	-
- Due to micro and small enterprises		-	-
- Due to others		503.60	735.79
Other current liabilities	9	3,774.06	5,743.88
Short-term provisions	10	599.81	45.71
		<u>18,147.99</u>	<u>28,939.18</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>
ASSETS			
Non-current assets			
Property, Plant And Equipment	11	-	-
- Intangible assets		6.14	7.09
Non-current investments	12	175.17	316.50
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	-	-
- Assets on finance		29,133.49	37,799.81
- Others		613.60	610.29
Other non-current assets	15	190.72	1,235.51
		<u>30,119.12</u>	<u>39,969.20</u>
Current assets			
Current investments	16	310.26	411.38
Trade receivables	17	7.33	43.28
Cash and bank balances	18	5,127.65	4,320.79
Short-term loans and advances	19	-	-
- Assets on finance		15,745.95	17,607.55
- Others		685.22	926.67
Other current assets	20	182.12	229.08
		<u>22,058.53</u>	<u>23,538.75</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>

Accounting policies to interim condensed financial statements

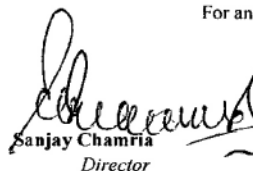
2

Notes to the interim condensed financial statements

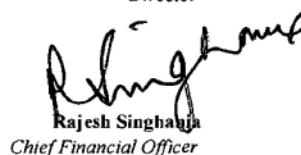
3 - 29

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhaia
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

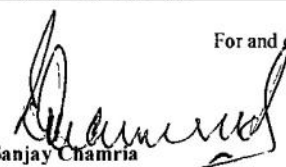
MAGMA ITL FINANCE LIMITED

Interim Condensed Statement of Profit and Loss

(₹ in lacs)

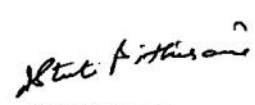
	Note No.	For the six months ended 30 September 2017 (Unaudited)
REVENUE		
Revenue from operations	21	4,613.83
Other income	22	109.98
Total revenue		4,723.81
EXPENSES		
Employee benefit expenses	23	573.04
Finance costs	24	2,257.97
Depreciation and amortisation expense	11	0.95
Provisions and bad debts written-off	25	629.74
Other expenses	26	240.87
Total expenses		3,702.57
Profit/ (Loss) before tax		1,021.24
Tax expenses		
Current tax - current year		750.00
Deferred tax		-
Profit/ (Loss) after tax		271.24
Earnings per equity share (nominal value of ₹ 10/- each)		
Basic and diluted (in ₹)	27	0.60
Accounting policies to interim condensed financial statements	2	
Notes to the interim condensed financial statements	3 - 29	
The accompanying notes are an integral part of the financial statements.		

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Interim Condensed Cash Flow Statement

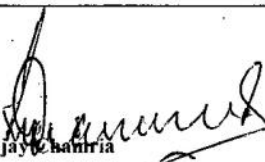
(₹ in lacs)

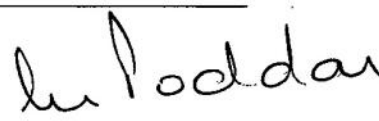
For the six months ended
30 September 2017

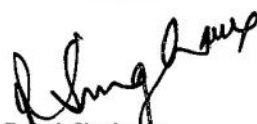
A. Net cash from Operating Activities	15,914.56
B. Net cash from Investing Activities	242.45
C. Net cash used in Financing Activities	(16,162.99)
Net decrease in cash & cash equivalents (A+B+C)	(5.98)
Cash and cash equivalents at the beginning of the period	14.55
Cash and cash equivalents as at the end of the period	8.57

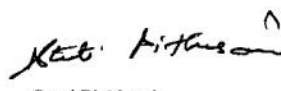
CASH & CASH EQUIVALENTS (Note 18)

Cash in hand	0.17
Balance with banks	
In current accounts	8.40
	8.57


Sanjay Chandra
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements

Note: 1

COMPANY OVERVIEW

Magma ITL Finance Limited ('the Company' or 'MITL') is a subsidiary company of Magma Fincorp Limited. The Company had received Certificate of Registration in March, 2008 from Reserve Bank of India and its commercial operation of financing (primarily tractor financing) commenced from July, 2008. MITL is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') with Reserve Bank of India. The Company is headquartered in Kolkata.

Note: 2

Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with Accounting Standard 25 (AS 25) , Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim financial statements have been prepared for the purposes of the Draft Scheme of Amalgamation (as necessary) in connection with the proposed merger of the Company with Magma Fincorp Limited.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 3		
SHARE CAPITAL		
Authorised		
175,000,000 (2017: 175,000,000) equity shares of ₹ 10/- each	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, subscribed and fully paid-up		
45,000,000 (2017: 45,000,000) equity shares of ₹ 10/- each	4,500.00	4,500.00
	<u>4,500.00</u>	<u>4,500.00</u>

a) Reconciliation of the number of equity shares outstanding and the amount of share capital

	As at 30 September 2017 (Unaudited)		As at 31 March 2017 (Audited)	
Equity shares of ₹ 10 each, fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	45,000,000	4,500.00	45,000,000	4,500.00
Outstanding at the end of the year	<u>45,000,000</u>	<u>4,500.00</u>	<u>45,000,000</u>	<u>4,500.00</u>

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the annual general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to preference shareholders. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% of aggregate equity share capital of the Company

	As at 30 September 2017 (Unaudited)			As at 31 March 2017 (Audited)		
Name of the equity shareholder	No. of shares	Amount	% of holding	No. of shares	Amount	% of holding
Magma Fincorp Limited (Holding Company)	45,000,000	4,500.00	100%	33,299,400	3,329.94	74%
International Tractors Limited	-	-	-	11,700,000	1,170.00	26%

d) Shares issued for consideration other than cash:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 4		
RESERVES AND SURPLUS		
Capital reserve	22.24	22.24
Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	2,350.00	2,350.00
Add: Transfer from surplus in the statement of profit and loss	-	-
	<u>2,350.00</u>	<u>2,350.00</u>
Surplus (balance in the statement of profit and loss)		
Opening balance	6,279.28	9,248.51
Add: Profit/ (Loss) after tax	271.24	(2,969.23)
	<u>6,550.52</u>	<u>6,279.28</u>
Appropriations		
Transferred to statutory reserve	-	-
Net surplus in the statement of profit and loss	<u>6,550.52</u>	<u>6,279.28</u>
	<u>8,922.76</u>	<u>8,651.52</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 5		
LONG-TERM BORROWINGS		
Term loans		
Secured		
from banks	4,852.94	5,735.29
	<u>4,852.94</u>	<u>5,735.29</u>
Other loans		
Unsecured		
from related parties	11,000.00	13,400.00
	<u>11,000.00</u>	<u>13,400.00</u>
	<u>15,852.94</u>	<u>19,135.29</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 6		
LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	45.07	45.07
Provision for compensated absences	25.27	28.80
Other provisions		
Provision for non-performing assets	4,583.62	2,088.09
Contingent provision against standard assets	100.00	120.00
	<u>4,753.96</u>	<u>2,281.96</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 7		
SHORT-TERM BORROWINGS		
Loans from banks		
Secured		
Cash credit facilities	1,270.52	9,913.80
Working capital demand loans	12,000.00	12,500.00
	<u>13,270.52</u>	<u>22,413.80</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 8		
TRADE PAYABLES		
Due to micro and small enterprises *	-	-
Due to others	503.60	735.79
	<u>503.60</u>	<u>735.79</u>

* The Company has no dues to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, as at 30 September 2017 and 31 March 2017. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Note 5)	2,566.27	4,169.46
Interest accrued but not due on borrowings	4.62	4.59
Other liabilities		
Advance from customers	375.51	444.88
Statutory liabilities	32.81	45.19
Pending remittance on assignment/ securitisation	692.06	932.77
Other payables	102.79	146.99
	3,774.06	5,743.88

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 10		
SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	6.28	0.28
Provision for compensated absences	4.68	3.18
Other provisions		
Provision for taxation (Net)	538.85	2.25
Contingent provision against standard assets	50.00	40.00
	599.81	45.71

Note - 11

PROPERTY, PLANT AND EQUIPMENT

Description of assets	Gross block			Depreciation and amortisation				Net block	
	As at 1 April 2017	Additions	Deletions	As at 30 Sep 2017	As at 1 April 2017	For the period	Deletions	As at 30 Sep 2017	As at 30 Sep 2017
Intangible assets									
Computer softwares acquired	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14
Total (Unaudited)	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 12		
NON-CURRENT INVESTMENTS		
Other investments (at cost)		
Investment in pass through certificates	175.17	316.50
	175.17	316.50

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 13		
DEFERRED TAX ASSETS (NET)		
Deferred tax assets*	121.42	195.04
Deferred tax liabilities		
Fixed assets	1.86	2.02
Unamortised expenses (net)	119.56	193.02
	121.42	195.04
Deferred tax assets (Net)	-	-

*Deferred tax assets have been recognised to the extent of deferred tax liabilities.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 14		
LONG-TERM LOANS AND ADVANCES		
Assets on finance (secured)*		
considered good	24,835.72	35,158.13
considered doubtful	4,297.77	2,641.68
	29,133.49	37,799.81
Others (unsecured, considered good)		
Loan to employees	0.88	2.83
Tax advance and deduction at source (Net)	612.72	607.46
	613.60	610.29
	29,747.09	38,410.10

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 15		
OTHER NON-CURRENT ASSETS		
Non-current bank balances (Note 18)	-	888.84
Unamortised borrowings costs	129.64	153.32
Unamortised loan origination costs (net)	61.08	193.35
	190.72	1,235.51

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 16		
CURRENT INVESTMENTS		
Other investments (at cost)		
In pass through certificates	310.26	411.38
	310.26	411.38

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they became due for payment	-	-
Other debts	7.33	43.28
	<u>7.33</u>	<u>43.28</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.17	0.17
Balances with banks in current accounts	8.40	14.38
	<u>8.57</u>	<u>14.55</u>
Other bank balances		
Deposits with original maturity of 3 months or less	461.94	-
Deposits with original maturity of more than 3 months to 12 months	2,800.30	1,735.00
Current maturities of deposits with original maturity of more than 12 months	1,856.84	2,571.24
	<u>5,119.08</u>	<u>4,306.24</u>
	<u>5,127.65</u>	<u>4,320.79</u>

(a) Fixed deposits aggregating ₹ 4,792.33 lacs (2017: ₹ 5,185.61 lacs) are marked as lien with banks / SPVs towards cash collateral for securitisation of receivables.

(b) Fixed deposits with more than 12 months maturity aggregating to ₹ Nil (2017: ₹ 888.84 lacs) included under 'Other Non-Current Assets' (Note 15).

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 19		
SHORT-TERM LOANS AND ADVANCES		
Assets on finance (secured, considered good)*	15,745.95	17,607.55
	<u>15,745.95</u>	<u>17,607.55</u>
Others (unsecured, considered good)		
Loans and advances to related parties	1.31	189.06
Loan to employees	38.39	41.74
Advances recoverable in cash or in kind or for value to be received	600.87	653.18
Prepaid expenses	19.61	30.76
Balances with statutory/ government authorities	25.04	11.93
	<u>685.22</u>	<u>926.67</u>
	<u>16,431.17</u>	<u>18,534.22</u>

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 20		
OTHER CURRENT ASSETS		
Unamortised borrowings costs	82.02	110.71
Unamortised loan origination costs (net)	72.72	100.34
Interest accrued but not due on fixed deposits	27.38	18.03
	<u>182.12</u>	<u>229.08</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017
(Unaudited)

Note-21

REVENUE FROM OPERATIONS

Interest/ finance income

On assets on finance	4,058.20
On loan assigned / securitised	210.37
On pass through certificates	17.82
On fixed deposits	175.14
On loans and margins	60.66
	4,522.19

Other financial income

Management fees	8.52
Support services	24.39
Others	58.73
	91.64
	4,613.83

For the six months ended
30 September 2017
(Unaudited)

Note-22

OTHER INCOME

Bad debt recovered	109.98
	109.98

For the six months ended
30 September 2017
(Unaudited)

Note-23

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	487.53
Contribution to provident and other funds	30.85
Staff welfare expenses	54.66
	573.04

For the six months ended
30 September 2017
(Unaudited)

Note-24

FINANCE COSTS

Interest expense

On term loans	477.32
On cash credit and working capital facilities from banks	777.90
On loan from bodies corporate and others	878.98

Other borrowing costs

123.77
2,257.97

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended

30 September 2017

(Unaudited)

Note-25

PROVISIONS AND BAD DEBTS WRITTEN-OFF

Bad debts and provision for non-performing assets (net)	639.74
Contingent provision against standard assets	(10.00)
	<u>629.74</u>

For the six months ended

30 September 2017

(Unaudited)

Note-26

OTHER EXPENSES

Outsourced manpower cost	51.56
Rent	2.05
Brokerage and commission	80.83
Rates and taxes	1.12
Advertisement and publicity	0.03
Travelling and conveyance	5.67
Professional fees	11.55
Legal expenses	76.38
Printing and stationery	0.61
Communication	1.04
Electricity charges	0.45
Office expenses	0.65
Corporate Social Responsibility Expenditure	2.13
Miscellaneous expenses	6.80
	<u>240.87</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

27 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For the six months ended 30 September 2017 (Unaudited)	Year ended 31 March 2017 (Audited)
	Basic and diluted			
1	Net profit as per statement of profit and loss	₹ Lacs	271.24	(2,969.23)
2	Weighted average number of Equity shares	No. of shares	45,000,000	45,000,000
3	Nominal value of Equity shares	₹	10.00	10.00
4	Earnings per share - Basic and diluted	₹	0.60	(6.60)

28 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
(A) Claims against the company not acknowledged as debt;		
(i) Income tax matters under dispute	0.19	0.19
(ii) Service tax matters under dispute	131.77	131.77
(B) Guarantees;		
(i) Unexpired bank guarantee	2,425.60	2,425.60

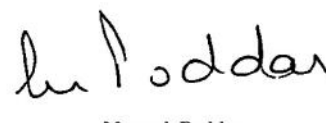
(b) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision required under any law/accounting standard/RBI regulation for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative transaction during the six months ended 30 September 2017 (2017: ₹ Nil).

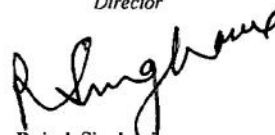
29 Segment reporting

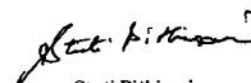
The Company is engaged in providing financial services to the customers in India. Considering the nature of risks and rewards of its services and its internal organisation and management structure, the Company has only one reportable business segment i.e. financial services and only one reportable geographical segment i.e. India.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report To the Board of Directors Magma Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Magma Fincorp Limited ('the Company'), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute 'the Group') for the quarter ended 30 September 2017 and the year to date consolidated financial results for the period 1 April 2017 to 30 September 2017 (together known as 'the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We did not review the condensed interim financial statements of one joint venture and one step-down subsidiary included in the unaudited consolidated financial results whose condensed interim financial statements reflect total assets of Rs 263,603 lakhs as at 30 September 2017 as well as total revenue of Rs 5,721 lakhs for the quarter ended 30 September 2017 and Rs 11,363 lakhs for the period 1 April 2017 to 30 September 2017 as considered in the Statement of the Group. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management. Our report on the Statement of the Group, in so far as it related to the amounts and disclosures included in respect of these joint venture and step-down subsidiary, is based solely on the reports of the other auditors.
5. We did not review the condensed interim financial statements of two subsidiary and one joint venture included in the consolidated financial results, whose condensed interim financial statements reflect total assets of Rs 79,063 lakhs as at 30 September 2017 as well as total revenue of Rs 1,932 lakhs for the quarter ended 30 September 2017 and Rs 4,750 lakhs for the period 1 April 2017 to 30 September 2017. These condensed interim financial statements have been furnished to us by management and our report on the Statement of the Group, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, is based solely on such condensed interim financial statements certified by respective management. Our opinion is not modified in respect of the said matter.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

Review report (continued)
Magma Fincorp Limited

6. Based on our review conducted as mentioned in paragraphs 3 to 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership No:046882

Place: Mumbai

Date: 9 November 2017



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	53,129.01	54,922.87	59,877.89	108,051.88	120,462.10	234,561.95
(b) Operating result from general insurance business	25.69	(23.17)	138.96	2.52	(71.73)	(114.48)
(c) Other income	1,816.75	1,924.58	1,585.29	3,741.33	2,753.55	5,497.69
Total revenue (net)	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. Expenses						
(a) Employee benefits expense	8,903.53	8,862.47	7,282.04	17,766.00	15,002.09	29,332.04
(b) Finance costs	22,805.45	24,022.44	29,019.77	46,827.89	59,637.81	112,544.47
(c) Depreciation and amortisation expense	1,169.62	1,285.25	1,171.42	2,454.87	2,252.81	4,850.13
(d) Provisions and bad debts written-off	7,485.61	9,144.66	9,508.20	16,630.27	18,286.50	60,685.95
(e) Brokerage and commission	2,416.58	2,286.19	2,735.04	4,702.77	5,585.50	11,178.34
(f) Other expenses	4,222.21	4,429.69	4,228.02	8,651.90	8,185.73	16,675.11
Total expenses	47,003.00	50,030.70	53,944.49	97,033.70	108,950.44	235,266.04
3. Profit from ordinary activities before tax (1-2)	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
4. Tax expense						
(a) Current tax	2,950.98	2,353.16	3,162.53	5,304.14	5,081.57	1,500.08
(b) Deferred tax	132.02	(66.81)	(563.90)	65.21	(704.37)	1,905.81
Total tax expense	3,083.00	2,286.35	2,598.63	5,369.35	4,377.20	3,405.89
5. Net Profit from ordinary activities after tax (3-4)	4,885.45	4,507.23	5,059.02	9,392.68	9,816.28	1,273.23
6. Minority interest	8.12	(8.12)	18.05	-	87.57	(772.04)
7. Net Profit after taxes and minority interest (5-6)	4,877.33	4,515.35	5,040.97	9,392.68	9,728.71	2,045.27
8. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
9. Reserves and surplus						212,474.18
10. Earnings per share (not annualised)						
(a) Basic (in ₹)	2.06	1.91	2.13	3.96	4.11	0.86
(b) Diluted (in ₹)	2.05	1.90	2.12	3.95	4.09	0.86

See accompanying notes to the financial results

Consolidated Segment Reporting for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. REVENUE						
(a) Finance and mortgages	54,508.92	56,411.70	60,916.66	110,920.62	122,160.39	238,354.38
(b) General insurance	109.18	26.96	248.51	136.14	115.27	361.06
(c) Others	353.35	385.62	436.97	738.97	868.26	1,229.72
TOTAL REVENUE	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. RESULT - PROFIT BEFORE TAX						
(a) Finance and mortgages	7,715.58	6,592.97	7,242.05	14,308.55	13,742.21	4,106.74
(b) General insurance	107.66	25.50	248.51	133.16	115.27	294.76
(c) Others	145.21	175.11	167.09	320.32	336.00	277.62
TOTAL	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
3. ASSETS						
(a) Finance and mortgages	1,247,813.43	1,272,969.29	1,407,878.58	1,247,813.43	1,407,878.58	1,309,673.86
(b) General insurance	46,568.96	45,016.47	41,500.22	46,568.96	41,500.22	43,154.01
(c) Others	6,827.80	6,818.72	7,423.44	6,827.80	7,423.44	6,693.54
TOTAL	1,301,210.19	1,324,804.48	1,456,802.24	1,301,210.19	1,456,802.24	1,359,521.41
4. LIABILITIES						
(a) Finance and mortgages	1,039,134.52	1,063,231.18	1,194,061.71	1,039,134.52	1,194,061.71	1,104,197.80
(b) General insurance	37,185.65	35,722.87	32,389.08	37,185.65	32,389.08	33,879.61
(c) Others	541.15	674.15	1,093.18	541.15	1,093.18	811.04
TOTAL	1,076,861.32	1,099,628.20	1,227,543.97	1,076,861.32	1,227,543.97	1,138,888.45

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MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017.

Particulars	₹ in lacs	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	219,604.92	212,472.60
(c) Fair value change account	4.48	1.58
Sub-total - shareholders' funds	224,348.87	217,213.37
2. Minority interest	-	3,419.59
3. Non-current liabilities		
(a) Long-term borrowings	296,438.13	310,929.43
(b) Long-term provisions	29,534.22	22,587.50
Sub-total - non-current liabilities	325,972.35	333,516.93
4. Current liabilities		
(a) Short-term borrowings	528,360.32	548,022.99
(b) Trade payables	22,743.05	19,760.05
(c) Other current liabilities	189,098.68	228,684.75
(d) Short-term provisions	10,686.92	8,903.73
Sub-total - current liabilities	750,888.97	805,371.52
TOTAL - EQUITY AND LIABILITIES	1,301,210.19	1,359,521.41
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	27,194.33	28,525.93
(b) Non-current investments	51,033.32	47,292.90
(c) Deferred tax assets (net)	1,909.13	1,974.34
(d) Long-term loans and advances	754,191.43	792,267.87
(e) Other non-current assets	15,928.62	19,761.60
Sub-total - non-current assets	850,256.83	889,822.64
2. Current assets		
(a) Current investments	10,558.25	7,356.05
(b) Trade receivables	1,105.54	674.93
(c) Cash and bank balances	42,767.56	35,330.96
(d) Short-term loans and advances	385,349.72	413,976.24
(e) Other current assets	11,172.29	12,360.59
Sub-total - current assets	450,953.36	469,698.77
TOTAL - ASSETS	1,301,210.19	1,359,521.41

- 2] The unaudited consolidated financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the consolidated financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] In accordance with Regulation 33 of the Listing Regulations, the Company shall publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The consolidated financial results have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) and comprise of the financial results of Magma Fincorp Limited, its subsidiaries, Magma ITL Finance Limited ('MITL') and Magma Advisory Services Limited ('MASL'), its step down subsidiary, Magma Housing Finance Limited ('MHFL') (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) (subsidiary of MASL) and Joint Venture Companies, Magma HDI General Insurance Company Limited ('MHDI') and Jaguar Advisory Services Private Limited ('JASPL').
- 6] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 7] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.

10/12/17



MAGMA FINCORP LIMITED

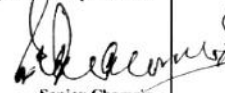
Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 8] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.
- 9] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 10] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively.
- 11] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 12] The Company has reported segment wise information as per Accounting Standard 17 (Segment Reporting) as prescribed under Section 133 of the Companies Act, 2013. As the operations of the Company are conducted through its subsidiaries and joint ventures within India, there is no separate reportable geographical segment.
- 13] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total income from operations	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Profit from ordinary activities before tax	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
3. Net Profit from ordinary activities after tax	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68

- 14] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited


Sanjay Chamria

Vice Chairman and Managing Director
DIN: 00009894

Place: Mumbai
Dated: 09 November 2017

Corporate Office: Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070

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

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

Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To the Board of Directors
Magma Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Magma Fincorp Limited ('the Company') for the quarter ended 30 September 2017 and year to date results for the period 1 April 2017 to 30 September 2017 ('the Statement'). This Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

Place: Mumbai

Date: 9 November 2017

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

(₹ in lacs)						
Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	46,073.01	47,004.38	50,479.18	93,077.39	101,327.80	197,297.85
(b) Other income	1,828.80	1,866.22	1,386.31	3,695.02	2,400.52	4,906.65
Total revenue	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Expenses						
(a) Employee benefits expense	7,796.86	7,538.26	5,571.02	15,335.12	11,357.32	23,020.76
(b) Finance costs	19,401.64	20,314.77	24,046.64	39,716.41	49,699.15	93,788.05
(c) Depreciation and amortisation expense	1,163.21	1,278.88	1,165.85	2,442.09	2,242.37	4,828.66
(d) Provisions and bad debts written-off	7,810.27	7,735.90	8,777.26	15,546.17	16,436.06	54,232.49
(e) Brokerage and commission	2,319.52	2,163.13	2,598.61	4,482.65	5,293.20	10,606.68
(f) Other expenses	3,847.07	3,980.97	3,722.38	7,828.04	7,197.98	14,657.05
Total expenses	42,338.57	43,011.91	45,881.76	85,350.48	92,226.08	201,133.69
3. Profit from ordinary activities before tax (1-2)	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
4. Tax expense						
(a) Current tax	1,710.00	2,047.96	2,597.88	3,757.96	4,269.20	(330.07)
(b) Deferred tax	166.21	(96.62)	(517.83)	69.59	(682.05)	791.20
Total tax expense	1,876.21	1,951.34	2,080.05	3,827.55	3,587.15	461.13
5. Net Profit from ordinary activities after tax (3-4)	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68
6. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
7. Reserves and surplus						199,050.19
8. Earnings per share (not annualised)						
(a) Basic (in ₹)	1.56	1.65	1.65	3.20	3.34	0.26
(b) Diluted (in ₹)	1.55	1.65	1.64	3.20	3.33	0.26

See accompanying notes to the financial results

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MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017

Particulars	₹ in lacs	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	204,384.19	199,050.19
Sub-total - shareholders' funds	209,123.66	203,789.38
2. Non-current liabilities		
(a) Long-term borrowings	238,885.10	238,677.37
(b) Long-term provisions	22,720.64	18,534.81
Sub-total - non-current liabilities	261,605.74	257,212.18
3. Current liabilities		
(a) Short-term borrowings	481,449.06	487,335.75
(b) Trade payables	22,109.96	18,307.40
(c) Other current liabilities	123,377.78	171,123.45
(d) Short-term provisions	2,380.87	1,426.58
Sub-total - current liabilities	629,317.67	678,193.18
TOTAL - EQUITY AND LIABILITIES	1,100,047.07	1,139,194.74
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	20,317.20	21,643.99
(b) Non-current investments	57,494.57	53,284.47
(c) Deferred tax assets (net)	1,902.08	1,971.67
(d) Long-term loans and advances	598,105.93	624,483.61
(e) Other non-current assets	14,149.63	16,913.69
Sub-total - non-current assets	691,969.41	718,297.43
2. Current assets		
(a) Current investments	6,431.96	4,737.23
(b) Trade receivables	1,133.53	643.21
(c) Cash and bank balances	34,634.57	27,249.11
(d) Short-term loans and advances	358,915.88	380,302.82
(e) Other current assets	6,961.72	7,964.94
Sub-total - current assets	408,077.66	420,897.31
TOTAL - ASSETS	1,100,047.07	1,139,194.74

- 2] The unaudited standalone financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the standalone financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 5] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.
- 6] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.

18/12/17



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 7] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 8] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively.
- 9] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 10] As per paragraph 4 of Accounting Standard 17 (Segment Reporting) prescribed under Section 133 of the Companies Act, 2013, segment reporting needs to be presented only on the basis of consolidated financial results. In view of this, segment information has been presented in the consolidated financial results.
- 11] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited


Sanjay Chamria
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070
Registered Office : Magma House, 24 Park Street, Kolkata - 700 016
Website : www.magma.co.in; CIN : L51504WB1978PLC031813
Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; Fax: 033-44027731**Before the National Company Law Tribunal, Bench at Kolkata****CA (CAA) No. 522/KB/2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

MEETING OF THE EQUITY SHAREHOLDERS OF MAGMA FINCORP LIMITED**ON 17 FEBRUARY 2018 AT 11:00 A.M.****ATTENDANCE SLIP**

I/We hereby record my/our presence at the meeting of the equity shareholders of Magma Fincorp Limited, convened pursuant to the Order dated 10 January 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench in C.A.(CAA) NO. 522/KB/2017, at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday 17 February 2018 at 11:00 A.M.

Serial No.	
Name	
Name(s) of Joint Holder(s), if any	
Address	
Folio No. /DPID & Client ID No.*	
No. of shares held	

Name of Proxy (in BLOCK LETTERS)_____
Signature of Shareholder/Proxy Present

(* Applicable to Members holding shares in dematerialized form)

Note:

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	Password



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

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]

Name of the member(s) : _____

Registered address: _____

E-mail Id : _____

Folio No / DPID & Client ID* : _____

* Applicable in case shares are held in electronic form.

I/We, being the member(s), holding.....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 act for me/us at the meeting of the Equity Shareholders of Magma Fincorp Limited to be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday 17 February 2018 at 11:00 A.M. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said Scheme of Amalgamation, either with or without modification*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed thisday of2018

Signature of Shareholder (s).....

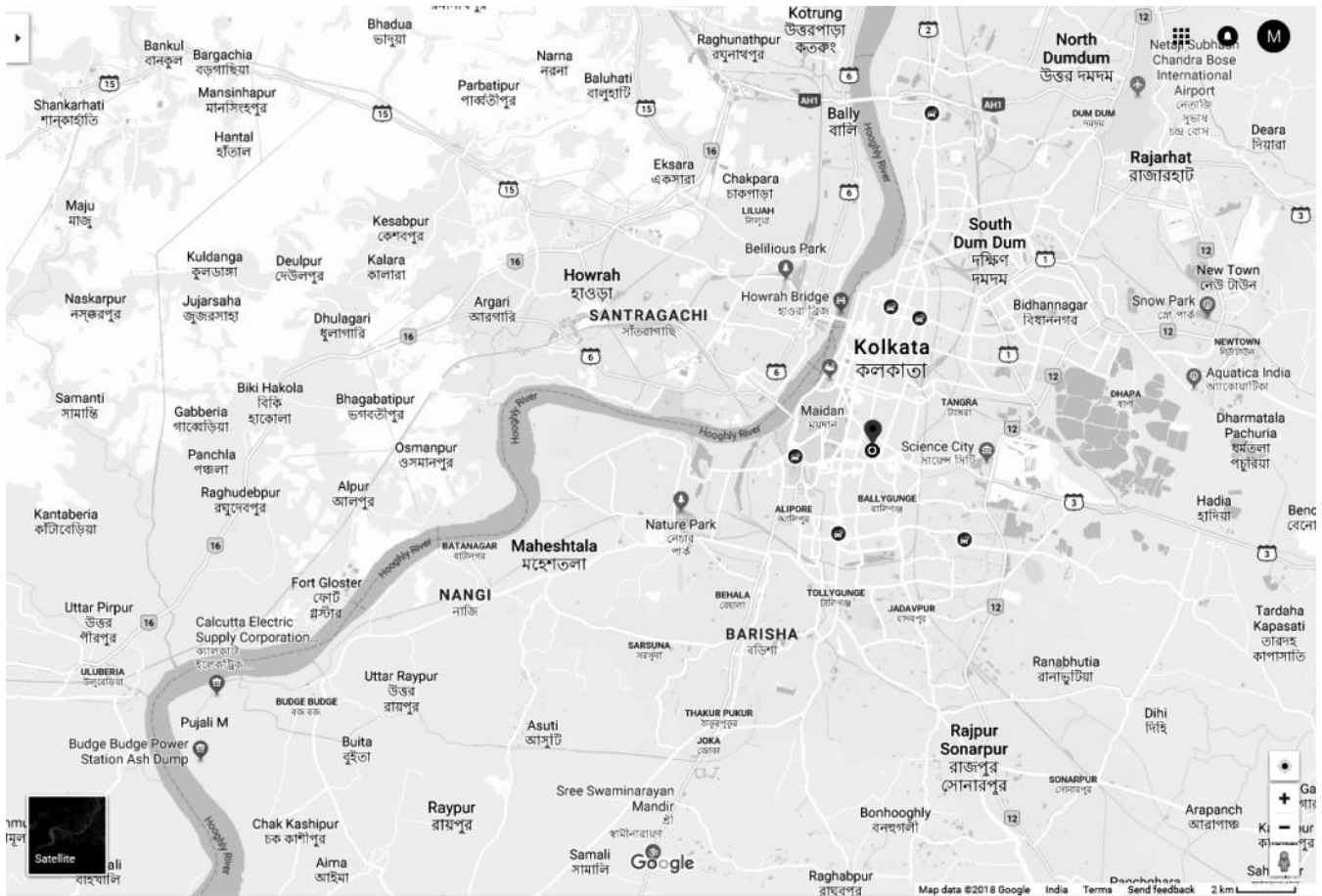
Signature of Proxy holder(s).....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialled.

Affix
Revenue
Stamp

ROUTE MAP FOR THE NCLT CONVENED MEETING OF THE COMPANY SCHEDULED AT 17 FEBRUARY 2018.



VENUE :

Sitaram Seksaria Auditorium, Bharatiya Bhasha
Parishad, 36A Shakespeare Sarani, Kolkata - 700017

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

POSTAL BALLOT FORM

Serial No.	:
Name and Registered Address of the Sole/ First named Member	:
Name(s) of Joint Holder(s), if any	:
Registered Folio No./DP ID and Client ID No.* <i>(*Applicable to Members holding shares in dematerialized form)</i>	:
Number of equity shares held	:

I/We hereby exercise my/our vote in respect of the undernoted resolution as per the Notice dated 11 January 2018, pursuant to the Order of the National Company Law Tribunal, Kolkata Bench dated 10 January 2018, by sending my/our Assent (**FOR**) or Dissent (**AGAINST**) to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief Description	No. of Shares	I /We Assent to the resolution (FOR)	I /We Dissent from the resolution (AGAINST)
1.	Approval of the Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme") pursuant to the Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013.			

Date:

Place:

Signature of the Member**Note:** Please read the instructions printed overleaf carefully before exercising the vote.

INSTRUCTIONS FOR FILLING BALLOT FORM

1. Consent must be accorded by recording the assent in the Column "FOR" or dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate columns. Postal Ballot Form bearing (✓) mark in both the columns will render the form invalid.
2. The voting period will commence on and from Thursday 18 January 2018 at 9.00 A.M. (IST) and end on Friday, 16 February 2018 at 5.00 P.M. (IST) Voting rights shall be reckoned on the paid up value of shares registered in the name/s of the shareholders on 29 December 2017.
3. A member desiring to exercise vote by postal ballot, shall send the duly completed form in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer not later than 5.00 P.M on 16 February 2018. Postage on the Business Reply Envelope will be borne by the Applicant Company. However, envelopes containing Postal Ballot, if sent by Courier or by Registered Post or Speed Post, at the expense of the Member will also be accepted. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the Member has not been received.
4. This form should be completed and signed by the member (as per the specimen signature registered with the Company/ Depository Participant). In case of joint holding this form should be completed and signed by the first named member and in absence of such member, by the next named joint-holder.
5. In case the shares are held by bodies corporate or by persons authorised under power of attorney, the Postal Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate or by an attested true copy of the power of attorney authorizing such person, as the case may be, along with a specimen signature of the said authorised representative or power of attorney holder. If the same is / are already registered with the Company/Depository Participant, please quote the Registration Number beneath the signature. Where the Postal Ballot Form has been signed by a representative of the President of India or by the Governor of a State, a certified true copy of the nomination should accompany the Postal Ballot Form.
6. Incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected by the Scrutiniser.
7. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
8. The vote on postal ballot cannot be exercised through proxy.
9. Kindly note that the equity shareholders (which includes Public Shareholders) can opt only one mode for voting i.e. either by postal ballot or remote e-voting. If an equity shareholder has opted for remote e-voting, then he/she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) (which includes Public Shareholder(s) cast their vote both via postal ballot and remote e-voting, then voting validly done through remote e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
10. Members are requested not to send any other paper along with the Postal Ballot in the enclosed self-addressed postage prepaid envelope.
11. The Company is also offering remote e-voting facility as an alternate, to all its Members to enable them to cast their votes electronically instead of using the Postal Ballot Form. The detailed procedure has been given in the Notice.
12. The National Company Law Tribunal, Kolkata Bench, has appointed Mr. Anil Murarka, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; Fax: 033-44027731**NOTICE OF NCLT CONVENED MEETING OF THE SECURED CREDITORS OF MAGMA FINCORP LIMITED**

(convened pursuant to the order dated 10th January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	:	Saturday
Date	:	17 February 2018
Time	:	12:00 Noon
Venue	:	Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

POSTAL BALLOT

Start Date and Time	:	Thursday, 18 January 2018, 9:00 A.M.
End Date and Time	:	Friday, 16 February 2018, 5:00 P.M.

INDEX

SL. NO.	PARTICULARS	PAGE NO.
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4.	ANNEXURE 2 Board Report on the effects of the Scheme on Shareholders, Key Managerial Personnel, Promoters, Non-Promoters and Debenture holders pursuant to the provisions of Section 232 (2) (c) of the Companies Act, 2013.	29 - 30
5.	ANNEXURE 3 Unaudited financial statements of Magma ITL Finance Limited for the half year ended 30 th September, 2017.	31 - 42
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FORM NO. CAA.2

[Pursuant to Section 230(3) and rule 6 and 7]

**Before the National Company Law Tribunal, Bench at Kolkata
CA (CAA) No. 522/KB/2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

**MAGMA FINCORP LIMITED,
CIN:L51504WB1978PLC031813**

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016
.... Transferee Company/Applicant Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF MAGMA FINCORP LIMITED

To,

The Secured Creditors(s) of Magma Fincorp Limited ("MFL" or "Applicant Company" or "Transferee Company" or "Company")

Notice is hereby given that by an Order made on the 10th day of January, 2018 in the above mentioned Company Application, The Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") has directed that a meeting to be held of the Secured Creditors of the Magma Fincorp Limited at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February, 2018 at 12:00 Noon ("**NCLT Convened Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the proposed amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Secured Creditors of the Transferee Company will be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday, 17 February, 2018 at 12:00 Noon at which time and place the Secured Creditors of the Applicant Company are requested to attend and to consider and if thought fit, pass the following resolution, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re- enactment thereof) to the extent notified and applicable; enabling provisions in the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), and subject to the approval of any statutory/regulatory authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities while granting such consent, approvals and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee constituted/to be constituted by the Board), approval of the Secured Creditors of the Company be and hereby accorded to the proposed Scheme of Amalgamation between Magma ITL Finance Limited and Magma Fincorp Limited and their respective shareholders in accordance with and on the terms and conditions as stated in the Scheme of Amalgamation, the copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification and the salient terms of which have been stated in the Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of their powers

herein conferred, to any Director(s) or any officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions and to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme of Amalgamation, to make or accept such alterations or changes or modifications in the Scheme of Amalgamation as may be advised by the regulatory authorities.”

TAKE FURTHER NOTICE that the Secured Creditors entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at “Magma House”, 24, Park Street, Kolkata- 700016, not later than 48 hours before the scheduled time of the commencement of the said meeting. The form of proxy can be obtained free of cost from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

TAKE FURTHER NOTICE that in compliance of the provision of Section 230(4) read with Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administrations) Rules, 2014 and rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Applicant Company has provided the facility of voting by postal ballot to the Secured Creditors to cast their votes on the resolution set forth in this Notice. Accordingly, you may cast your vote either through postal ballot or through ballot paper at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

The NCLT has appointed Mr. B L Sinha, Chartered Accountant, to be the Chairman of the said meeting including any adjournment thereof. The NCLT has appointed Mr. Anil Murarka, Practising Company Secretary as Scrutinizer for conducting the postal ballot and voting through Ballot Paper at the venue of the meeting in a fair and transparent manner.

The Scheme, if approved in the aforesaid meeting, will be subject to the approval of the NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Place: Kolkata

Date: 11 January, 2018

Registered Office:

Magma Fincorp Limited

CIN: L51504WB1978PLC031813

“Magma House”, 24, Park Street, Kolkata- 700016, West Bengal.

Email: secretary@magma.co.in, Website: www.magma.co.in

B. L. Sinha

Chairman appointed for the meeting

Notes for NCLT Convened Meeting:

- 1) **A SECURED CREDITOR OF THE APPLICANT COMPANY ENTITLED TO ATTEND AND VOTE AT THE NCLT CONVENED MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SECURED CREDITOR OF THE APPLICANT COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of Secured Creditors not exceeding fifty and holding in the aggregate not more than ten percent of the total value of amount outstanding to Secured Creditors of the Applicant Company. A Secured Creditor holding more than ten percent of the total value of amount outstanding to Secured Creditors may appoint a single person as proxy and such person shall not act as a proxy for any other Secured Creditor.

- 2) Only a Secured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative of a body corporate under Sections 112 and 113 of the Companies Act, 2013) at the NCLT Convened Meeting. The Authorised Representative of a body corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board of Directors under section 113 of the Companies Act, 2013/ Power of Attorney/ Letter of Authority or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the NCLT Convened Meeting.
- 3) The voting period for postal ballot commences on Thursday, 18 January, 2018 (9.00 A.M.) IST and ends on Friday, 16 February 2018 (5.00 P.M.) IST.
- 4) The form of proxy can be obtained free of charge from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8, Camac Street, Kolkata – 700 017.
- 5) All alterations made in the Proxy Form should be initialed.
- 6) A Secured Creditor or his proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
- 7) In terms of the directions contained in the Order dated 10 January 2018, the quorum for the Meeting shall be 5 (five) Secured Creditors of the Applicant Company, present either in person or by proxy.
- 8) Explanatory Statement for the proposed Resolution pursuant to Sections 230(3), 232 and 102 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts forms part of this Notice. Also all the annexures as mentioned above in the index and attached to this notice forms part of the Notice.
- 9) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the registered office of the Applicant Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
- 10) A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Secured Creditors, voting through postal ballot form are requested to carefully read the instructions printed in the attached postal ballot form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage prepaid self-addressed envelope, so as to reach the Scrutinizer, not later than 5.00 P.M. on Friday, 16 February 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Secured Creditors.
- 11) The Notice, the Explanatory Statement together with the documents accompanying the same, are being sent to all the Secured Creditors either by registered post / speed post / courier service. The Notice along with copy of the Scheme and other documents may also be accessed on Company's website: www.magma.co.in
- 12) Kindly note that the Secured Creditors can opt for only one mode for voting i.e. either by postal ballot or voting at the venue of the meeting. Please further note that Secured Creditors who have voted through postal ballot may shall attend the Meeting, however, they shall not be allowed to vote at the Meeting.
- 13) In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the Notice have been approved at the Meeting by a majority of Secured Creditors representing three fourth in value of such Secured Creditors of the Applicant Company, voting in person or by proxy or through postal ballot.
- 14) The queries, if any, related to the Scheme should be sent to the Applicant Company in the name of Ms. Shabnum Zaman, Company Secretary at its registered office at least 7 (seven) days before the meeting.
- 15) Mr. Anil Murarka, Practicing Company Secretary has been appointed as the scrutinizer for scrutinizing the process of postal ballot and voting at the venue of the meeting in a fair and transparent manner. The scrutinizer shall submit a consolidated scrutinizer's Report

of the total vote cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting to the Chairman of the meeting or any other person authorised by the Chairman of the Meeting. Thereafter, the Results of the postal ballot and voting at the venue of the meeting shall be declared by the Chairman of the Meeting or the person authorised by the Chairman. The Result declared along with the Scrutinizer Report shall be placed on the website of the Applicant Company www.magma.co.in. and also be displayed on the Notice Board of the Applicant company at the Registered Office and simultaneously communicated to the Stock Exchanges where the shares of the Transferee Company are listed.

- 16) The Route map showing direction to reach the venue is annexed.

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

Explanatory Statement under Sections 230(3), 232 and Section 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. In this statement Magma ITL Finance Limited is referred to as the "Transferor Company" or "MITL" and Magma Fincorp Limited as the "Transferee Company" or "MFL" and collectively, they are referred to as the "Applicant Companies". The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders (herein after referred to as the "Scheme" or "Scheme of Amalgamation") will also apply to this statement under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement").
2. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof). The Transferor Company is a wholly owned subsidiary of the Transferee Company. Though the proposed Scheme of Amalgamation is between a holding Company and its wholly owned subsidiary, the Applicants have decided to use the provisions of Section 232 of the Companies Act, 2013 for the approval of the Scheme of Amalgamation as provided in Section 233 (14) of the Companies Act, 2013. The same have been decided to do so in view of the Transferee Company being a listed Company and having large number of Shareholders and creditors, thereby involving large public interest.
3. Pursuant to an Order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata ("NCLT") in CA (CAA) NO. 522/KB/2017 referred to hereinabove, meeting of Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies are being convened and held for the purposes of considering and, if thought fit, approving the amalgamation embodied in the Scheme between the Transferor Company and the Transferee Company and their respective shareholders. The meeting of the Equity Shareholders of the Transferor Company has been dispensed with by the order of NCLT. The details of the NCLT direction regarding calling, convening and conducting of the meetings are as follows:

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Equity Shareholders of Magma Fincorp Limited	Date: 17 February 2018 Time: 11:00 A.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Secured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 12:00 Noon Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 1:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Debenture Holders of Magma Fincorp Limited	Date: 17 February 2018 Time: 2:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Secured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 3:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 4:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

4. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Equity Shareholders and Debenture Holders of the Transferee Company and the Secured Creditors and Unsecured Creditors of each of the Applicant Companies, voting in person or by proxy or by postal ballot or remote e-voting, as applicable, agree to the Scheme.
5. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, approved by Board of Directors of the Applicant Companies at their respective meetings held on 28 October 2017 of MITL and 9 November 2017 of MFL is attached to this Explanatory Statement and forms part of this statement. A copy of the Scheme has also been filed with the Registrar of Companies, West Bengal.

6. **Background of the Companies:**

I. Magma Fincorp Limited

- a. Magma Fincorp Limited is a listed public limited Company which was originally incorporated on 18th December, 1978 as a private limited Company in the name and style of "ARM GROUP ENTERPRISES PRIVATE LIMITED" under the Companies Act, 1956. Subsequently on 30th of October, 1980, the Company was converted to a Public Limited Company and the name was changed to "ARM GROUP ENTERPRISES LIMITED". Thereafter on the 24th of August, 1993, the name of the Company was changed to "MAGMA LEASING LIMITED" and again on the 19th June, 2007, the name of the Company was changed to "MAGMA SHRACHI FINANCE LIMITED". Thereafter again on 1st July, 2008, the name of the Company was finally changed to "MAGMA FINCORP LIMITED". Since then the Company is carrying out business in the name of "MAGMA FINCORP LIMITED" with CIN:L51504WB1978PLC031813, PAN:AABCM9445K 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 email address of the Transferee Company is secretary@magma.co.in.
- b. There has been no change in the registered office of the Transferee Company since the last 5 (Five) years.
- c. There has been no change in the name of the Transferee Company since the last 5 (Five) years.
- d. The following are the details of the promoters of the Transferee Company:

Sl No.	Name of the Promoter	Address
1.	Celica Developers Private Limited	24, Park Street, Kolkata-700016
2.	Microfirm Capital Private Limited	24, Park Street, Kolkata-700016
3.	Columbine Decorative & Marketing Private Limited	24, Park Street, Kolkata-700016
4.	Ashita Poddar	24, Park Street, Kolkata-700016
5.	Kalpana Poddar	24, Park Street, Kolkata-700016
6.	Mansi Poddar	24, Park Street, Kolkata-700016
7.	Shaili Poddar	24, Park Street, Kolkata-700016

- e. The shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- f. As on 30th September, 2017 an amount of Rs. 6,04,132.36 lakhs and Rs. 1,20,049.27 lakhs was due to Secured and Unsecured Creditors respectively of the Transferee Company. The Transferee Company shall repay the Secured and Unsecured Creditors in normal course of business. The Transferee Company also has outstanding debentures of Rs. 1,18,710 lakhs as on 30th September, 2017.

- g. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 30th September, 2017 is as under:

Particulars	Amount (Rs)
Authorized share capital	
26,50,00,000 Equity shares of Rs. 2 each	53,00,00,000
543,00,000 Preference Shares of Rs.100 each	543,00,00,000
Total	596,00,00,000
Issued, subscribed and paid-up share capital	
23,69,73,672 Equity shares of Rs.2 each	47,39,47,344
Total	47,39,47,344

- h. The main objects of the Transferee Company as set out in its Memorandum of Association is as under:
- 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.

There has been no change in the object clause of the Transferee Company since the last 5(Five) years.

- i. The Transferee Company is primarily engaged in the business of Assets Financing.

II. Magma ITL Finance Limited

- a. Magma ITL Finance Limited is a public limited Company, incorporated on 1st November, 2007 under the Companies Act, 1956 with CIN:U65910WB2007PLC120137, PAN: AAFCM2742R 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 email address of the Transferor Company is stuti.pithisaria@magma.co.in
- b. There has been no change in the registered office of the Transferor Company since last 5 (Five) years.
- c. There has been no change in the name of the Transferor Company since the last 5 (Five) years.
- d. The shares of the Transferor Company are not listed. The Transferor Company is wholly owned subsidiary of the Transferee Company.
- e. The following are the details of the promoters of the Transferor Company:

Sl. No.	Name of promoter	Address
1.	Magma Fincorp Limited	"Magma House", 24, Park Street, Kolkata - 700016

- f. As on 30th September, 2017 a total of Rs. 20,694.35 lakhs and Rs. 12,025.01 lakhs was due to Secured and Unsecured Creditors respectively of the Transferor Company.
- g. The authorized, issued, subscribed and paid-up share capital of Transferor Company, as on 30th September, 2017 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
17,50,00,000 equity shares of Rs. 10 each	175,00,00,000
Total	175,00,00,000
Issued, subscribed and paid-up share capital	
4,50,00,000 equity shares of Rs. 10 each	45,00,00,000
Total	45,00,00,000

- h. The main objects of the Transferor Company as set out in its Memorandum of Association is as under:
- a. To carry on and undertake business as financiers to finance operations of tractors whether by managing, purchasing, selling, hiring, letting on hire, and dealing in all kinds of property, movable or immovable, goods, chattels, motor-cars, motor-buses, motor-lorries, lands, bullion, stocks, shares, Government Bonds, and marketing and distribution of all kinds of financial products, including extending various types of retail loans and products as well as market various financial products and offering and/or marketing of insurance products, to various potential customers in the agricultural sector.
 - b. 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.
 - c. To act as investors, guarantors, underwriters, financiers and, to lend 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 take 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 the business of equipment leasing, hiring, hire-purchase, asset based finance of all kinds including 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
 - e. 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 counselors 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.
 - f. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept, or implement any takeover bids, mergers, 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 acquisition of shares or assets and liabilities, and whether as a going concern or as a part of concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation, formation or setting up of concerns and undertaking whether as Company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
 - g. To carry on the business of arranging, organizing, executing all kind of financial activities and services such as bill discounting, factoring, loan syndication to purchase book debts and receivables for companies and lend and give credit against the same, project financing, turnkey projects, undertake venture capital funding, promoters funding, funding of securities of all types, industrial financing and commercial financing, money management, corporate takeovers, financing against securities, trade finance, consumer finance and inter corporate loan and deposits, issue of guarantee or indemnity bonds in India and Abroad and act as general financiers.
 - h. To act as financial consultants and provide advisory services in various fields like finance management, investments,

projects, capital market portfolio, corporate matters, accountancy, business commercial, administrative, secretarial, public relations, scientific, technical, statistical, economic, industrial, insurance valuer, legal including taxation laws, data processing and quality control.

- i. To carry on business of financing by advancing money with or without securities upon such terms and conditions as the Company may think fit to any individual, firm, Company or any other enterprises, provided that the Company shall not carry on Banking business as defined in the Banking Regulations Act, 1949 or any statutory modification thereof.
- j. 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.

There has been no change in the object clause of the Transferor Company in the last 5(Five) years.

- i. The Transferor Company is primarily engaged in the business of Tractor Financing.

7. Rationale and Benefits of the Scheme

The rationale for the Scheme are briefly stated below:

- 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. 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.
- v. 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.
- vi. 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.
- vii. 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.

8. Salient features of the Scheme are set out asbelow:

- a) The Scheme envisages the Amalgamation of Magma ITL Finance Limited, as a "going concern" with Magma Fincorp Limited pursuant to Sections 230 to 232 read with Section 233 and other applicable provisions, if any of the Companies Act, 2013.
- b) The Transferor Company is a wholly owned subsidiary of the Transferee Company. Since the entire share capital of the Transferor Company is held by the Transferee Company and its nominees, there shall be no issue of shares by the Transferee Company in respect of its holding in the Transferor Company pursuant to the amalgamation under this Scheme. Upon the Scheme becoming effective, the entire paid up share capital of the Transferor Company, shall be cancelled and extinguished.
- c) The Appointed Date for the purpose of the Scheme and for Income Tax Act, 1961 shall be 1st October, 2017 and the Effective Date means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- d) The Scheme shall be effective subject to the receipt of sanctions, approvals and consents as laid down therein.
- e) Some of the important clauses of the Scheme are reproduced herein below:
 - (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the Appointed

Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.

- (b) Without prejudice to the provisions of 3.2.1 (a) of the Scheme, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) of the scheme, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- (f) On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (g) With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HEREWITH) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.

9. Relationship subsisting between the Companies who are Parties to the Scheme:

The Transferor Company is wholly owned subsidiary of the Transferee Company.

10. Board Meeting

Transferee Company:

The Scheme was approved by the Board of Directors of the Transferee Company at its meeting held on 9th November, 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferee Company who were present at the meeting, i.e. Mr. Narayan K Seshadri, Mr. Mayank Poddar, Mr. Sanjay Chamria, Mr. Nabankur Gupta, Mr. Satya Brata Ganguly, Mr. V K Viswanathan and Ms. Madhumita Dutta-Sen voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferee Company who attended and voted at the meeting.

Transferor Company:

The Scheme was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferor Company who were present at the meeting, i.e. Mr. Mayank Poddar, Mr. Satya Brata Ganguly and Mr. Sumit Binani voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferor Company who attended and voted at the meeting.

11. Effect of the Scheme

i. Key Managerial Personnel

The Scheme does not affect the Key Managerial Personnel of the Transferee Company. The Key Managerial Personnel of the Transferor Company shall be transferred to and be engaged by the Transferee Company, without any interruption of services and on such terms and conditions as are no less favourable than the Transferee Company and without any interruption of service as a result of the amalgamation. Notwithstanding the aforementioned, the Key Managerial Personnel of the Transferor Company may not be appointed as the Key Managerial Personnel of the Transferee Company.

ii. Directors

The Scheme does not affect the Directors of the Transferee Company except for their limited interests as Directors of Transferor Company. The Directors of the Transferee Company shall continue to hold their position as Director on the Board of the Transferee Company. The Directors of the Transferor Company shall cease to be Directors of the Transferor Company, consequent to dissolution of the Transferor Company upon the Scheme becoming effective.

iii. Promoters and Non-Promoters

The Transferor Company is wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominee and the same shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to Transferor Company. Further, Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

iv. Depositors and Deposit Trustee:

There are no depositors and Deposit Trustee in the Transferee Company or the Transferor Company.

v. Creditors and Debentureholders and Debenture Trustee :

The rights and interests of Secured Creditors and Unsecured Creditors including the Debenture Holders and Debenture Trustee of the Transferee Company or the secured and unsecured Creditors of the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner post the Scheme.

vi. Employees: Upon the coming into effect of this Scheme:

The rights and interests of the employees of the Transferor Company will not be prejudicially affected by the Scheme as such employees will become employees of Transferee Company at the agreed terms and conditions without any break or interruption in service.

12. Disclosure about effect of compromise or amalgamation on material interests of directors, Key Managerial Personnel and debenture trustee:

The Scheme of Amalgamation has no impact on the material interests of directors and Key Managerial Personnel of the Applicant Companies and Debenture Trustees of the Transferee Company.

13. A report adopted by the directors of the Applicant Companies explaining effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any is attached herewith as 'Annexure 2'.

14. Approvals

- i. Both the Transferor Company and Transferee Company are Non-Banking Financial Companies. The Transferor Company is required to obtain prior approval of Reserve Bank of India (RBI) and accordingly an application was made to RBI. RBI vide its letter dated 17th November 2017 conveyed its "No Objection" to the proposed amalgamation of Transferor Company with the Transferee Company.
- ii. In terms of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and circular bearing No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, issued by SEBI ("SEBI Circular"), draft Scheme of Amalgamation of wholly owned subsidiaries with their parent Company shall be filed with the Stock Exchange for the purpose of disclosure only and no prior written approval of the Stock Exchanges shall be required. The Transferee Company has filed the draft Scheme of Amalgamation in terms of the aforesaid SEBI Circular to the Stock Exchanges on 21st November, 2017.

15. Valuation Report:

The Transferor Company is a wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to the shareholders of Transferor Company. Hence, there is no need for valuation of the shares of the Applicant Company.

16. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferee Company and their respective shareholdings in Transferee and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
	Directors			
1.	Mr. Narayan K Seshadri, Non-Executive Independent Chairman (DIN: 00053563)	Skylark Co-operative Housing Society Ltd. Little Gibbs Road, Malabar Hill Mumbai 400 006	NIL	NIL
2.	Mr. Mayank Poddar, Chairman Emeritus & Whole Time Director (DIN: 00009409)	24, Park Street, Kolkata – 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Mr. Sanjay Chamria, Vice Chairman & Managing Director (DIN: 00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
4.	Mr. Nabankur Gupta, Non-Executive Independent Director (DIN: 00020125)	11 Jayshree, 75 Worli Seaface, Mumbai - 400 025	5000	NIL
5.	Mr. Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata 700027	NIL	NIL
6.	Mr. V K Viswanathan, Non-Executive Independent Director (DIN: 01782934)	Legacy Caldera, #56, SRT Road, Cunningham, Cross Road, Bangalore – 560 052	1432	NIL

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
7.	Mr. Sanjay Nayar, Non-Executive Director (DIN: 00002615)	The Rushilla Co-op housing Society Limited, 17/C Carmichael Road, Mumbai – 400 026	NIL	NIL
8.	Ms. Madhumita Dutta-Sen, Non-Executive Director (DIN:07885010)	4429, Fessenden St NW, Washington, DC 20016, United States of America	NIL	NIL
Key Managerial Personnel				
9.	Mr. Kailash Baheti, Chief Financial Officer	26, Prince Anwar Shah Road, Kolkata- 700033	20000	NIL
10.	Ms. Shabnum Zaman, Company Secretary	80 B, Dr. Sudhir Bose Road, Kolkata-700023	NIL	NIL

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, none of the Directors and Key Managerial Personnel of the Transferee Company hold any shares in the Transferor Company.

17. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferor Company and their respective shareholdings in the Transferee Company and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
Directors				
1.	Sanjay Chamria, Non-Executive Chairman (DIN:00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
2.	Mayank Poddar, Non-Executive Director (DIN:00009409)	24, Park Street, Kolkata - 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata - 700027	NIL	NIL
4.	Sumit Binani, Non-Executive Independent Director (DIN: 01113411)	Sun-City Complex, 105/1, Bidhannagar Road, Kolkata- 700 067	NIL	NIL
Key Managerial Personnel				
5.	Rajesh Singhanian, Chief Financial Officer	VIP Enclave, VIP Road, Baguiati, Kolkata-700059	200	NIL
6.	Stuti Pithisaria, Company Secretary	New Alipore Residency, 45A Buroshibtalla Main Road, New Alipore-700 038	NIL	NIL

The Transferor Company is a wholly owned subsidiary of the Transferee Company. For the purpose of maintaining minimum number of members, the Transferor Company has 7 shareholders. However, all the other shareholders are only nominee of the Transferee Company. Further, none of the Directors of the Transferor Company hold any shares in the Transferee Company.

18. The Directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.
19. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares will be issued by the Transferee Company. There will be no change in the paid up capital and shareholding pattern of the Transferee Company post amalgamation.
20. Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act 2013, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on

the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.

21. No investigation proceedings have been instituted or are pending under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. No winding up petitions have been admitted or filed against Applicant Company.
22. This statement may be treated as an Explanatory Statement under Section 232 of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 in respect of meeting of the Secured Creditors of the Applicant Company.
23. On the Scheme being approved by the requisite majority of Equity Shareholders and Debenture Holders of the Transferee Company and Secured Creditors and Unsecured Creditors of each of the Applicant Companies, the Applicant Companies shall file a joint petition with the National Company Law Tribunal at Kolkata for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.
24. The Scheme is not prejudicial to the interest of the members of the Applicant Companies.
25. The following documents will be open for inspection by the members of the Applicant Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 12.00 Noon upto Saturday 17 February 2018 at its registered office;
 - a. Papers and proceedings in CA (CAA) No. 522/KB/2017 including Certified Copy of the Order of the National Company Law Tribunal at Kolkata in the said Company Application directing the convening and holding of the meeting of the Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies;
 - b. Scheme of Amalgamation;
 - c. Memorandum and Articles of Association of Transferor Company and Transferee Company;
 - d. Annual Report of Transferor Company and Transferee Company for the financial year ended 31st March, 2017;
 - e. 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.
 - f. Copy of Register of Director's Shareholdings of Applicant Companies.
26. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

Place: Kolkata

Date: 11 January, 2018

Registered Office:
Magma Fincorp Limited
CIN: L51504WB1978PLC031813
"Magma House", 24, Park Street, Kolkata- 700016, West Bengal.
Email: secretary@magma.co.in, Website: www.magma.co.in

B. L. Sinha

Chairman appointed for the meeting

SCHEME OF AMALGAMATION
UNDER SECTION 230 to 232
OF
THE COMPANIES ACT, 2013
OF
MAGMA ITL FINANCE LIMITED
- Transferor Company
WITH
MAGMA FINCORP LIMITED
- Transferee Company
AND
THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. DESCRIPTION OF THE COMPANIES AND THEIR BACKGROUND

1. **MAGMA ITL FINANCE LIMITED (“MITL” or the “Transferor Company”)** having Corporate Identity number U65910WB2007PLC120137 is a company incorporated on 1st November, 2007, under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal. It is a wholly owned subsidiary of Magma Fincorp Limited, the Transferee Company. The Company is registered with the Reserve Bank of India as non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
2. **MAGMA FINCORP LIMITED (“MFL” or “Transferee Company”)** having Corporate Identity Number L51504WB1978PLC031813 is a company incorporated on 18th December, 1978 under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata - 700 016, West Bengal. The Company is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
3. The equity shares of the Transferee Company are listed with both BSE Ltd and National Stock Exchange of India Limited.
4. The Transferor Company is a wholly-owned subsidiary of the Transferee Company. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

B. RATIONALE FOR THE SCHEME

The amalgamation of MITL with the Transferee Company (MFL) would, inter alia, have the following benefits:

- 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. 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.

- v. 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.
- vi. 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.
- vii. 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.

C. Parts of the Scheme

This Scheme of Amalgamation is divided into the following parts:

1. Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
2. Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
3. Part III deals with the cancellation of share capital of the Transferor Company.
4. Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company;
5. Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of MITL (the Transferor Company) with MFL (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.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless the context otherwise requires, the following expression shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013, including any statutory modifications, re-enactments or amendments for the time being in force;
- 1.2. **"Appointed Date"** means 1st October 2017;
- 1.3. **"Assets"** in relation to Transferor Company means Fixed Assets, Loans and Advances, Investments, Current Assets, Loan and Advances, debit balance in Profit and Loss account and any other Assets as per the books of the Transferor Company as at 30th September, 2017;
- 1.4. **"Board of Directors" or "Board"** means the board of directors of MFL or MITL, as the case may be, and shall include a duly constituted committee thereof
- 1.5. **"BSE"** means BSE Limited;
- 1.6. **"Effective Date"** means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with Registrar of Companies, Kolkata. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.7. **"Liabilities"** in relation to the Transferor Company means Loan Funds, Current Liabilities, Reserves and Surpluses (including balance in Profit and Loss Account) provisions and all other liabilities of the Transferor Company as per the books of the Transferor Company as at 30th September, 2017;
- 1.8. **"MITL"** means MAGMA ITL FINANCE LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.9. **"MFL"** means MAGMA FINCORP LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.10. **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal under the Companies Act, 2013
- 1.11. **"NSE"** means National Stock Exchange of India Limited.

1.12. “Stock Exchange” means BSE and NSE.

1.13. “Scheme” means the Scheme of Amalgamation in the present form submitted to the NCLT, Kolkata Bench for sanction or with any modification(s) approved or imposed or directed by the Tribunal;

1.14. “Transferor Company” means “MITL.”

1.15. “Transferee Company” means “MFL.”

1.16. “Undertaking of Transferor Company” shall mean and include the following:

- (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, concessions, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages, of whatsoever nature and wherever situated of every description belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor Company as on the Appointed Date, and
- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to Transferor Company standing in the books of Transferor Company as on the Appointed Date as provided herein.
- (c) all records, files, papers, designs, and process information, computer programmes, manuals, data, sales and advertising materials and other records, whether in physical form or electronic form of the Transferor Company;
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- (e) Without prejudice to the generality of the foregoing mentioned hereinabove, the term “Undertaking of Transferor Company” shall include the entire business which is being carried out under the name and style of Transferor Company and shall include the advantages of whatsoever nature, agreements, contracts, entitlements, permits, permissions, registrations, allotments, approvals, arrangements, authorizations, benefits, , concessions, rights and assets, Domains, intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota rights, registration, reserves, waivers, acknowledgments and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, and all benefits including subsidies, grants, incentives, tax credits, tax deferrals, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, brands, goodwill, all other utilities held by Transferor Company or to which Transferor Company are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

2. SHARE CAPITAL:

2.2.1. MITL is a Public Limited Company. It is a wholly-owned subsidiary of MFL. The details of Capital of MITL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorized Capital:	
17,50,00,000 equity shares of Rs. 10/- each	17,500.00
Issued, Subscribed and Paid-up Capital:	
4,50,00,000 equity shares of Rs. 10/- each	4,500.00

2.2.2. MFL is a Public Limited Company listed on BSE and NSE. The details of Capital of MFL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorised Capital	
26,50,00,000 Equity shares of Rs 2/- each	5,300.00
5,43,00,000 Preference shares of Rs. 100/- each	54,300.00
Total	59,600.00
Issued, Subscribed and Paid-Up Capital	
23,69,73,672 Equity shares of Rs. 2/- each fully paid up	4,739.47
Total	4739.47

2.2.3. Subsequent to above, there is no change in the Capital Structure of Transferee or Transferor Company.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

3. TRANSFER OF "UNDERTAKING" OF TRANSFEROR COMPANY:

3.1. Generally: Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions of Section 230 and 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

3.2. Transfer of assets:

3.2.1. Without prejudice to the generality of Clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the appointed date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of 3.2.1 (a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) above, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.3. Transfer of Liabilities:

3.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description

whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.3.2.** All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 3.3.3.** Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.4.** All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.3.5.** Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.6.** 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.

3.4. Encumbrances:

- 3.4.1.** The transfer and vesting of the assets comprised in the undertaking to and in the Transferee Company under clause 3.1 and 3.2 of this scheme shall be subject to the mortgages and charged, if any, affecting the same, as and to the extent hereinafter provided.
- 3.4.2.** All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), 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 Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances 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 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.
- 3.4.3.** 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 Effective 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.

- 3.4.4.** Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 3.4.5.** It is expressly provided that, 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.
- 3.4.6.** The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.
- 3.4.7.** Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

4. INTER - SE TRANSACTIONS

Without prejudice to the provisions contained in this Scheme, 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.

5. CONTRACTS, DEEDS, ETC.:

- 4.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligor thereto or thereunder.
- 4.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 5. LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

- 6. TRANSFER OF PROFITS AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company;

7. CONDUCT OF BUSINESS:

8.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) All taxes (including income tax, GST, service tax, Value Added Tax (VAT), etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, GST, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (d) On the Scheme becoming effective, the Transferee Company shall be entitled to file/ revise its income tax returns, TDS Returns and other statutory returns, if required and shall have the right to claim refunds, depreciation benefits etc., if any, as also the income returns filed by the Transferor Company so far as is necessitated on account of the Scheme becoming effective from 1st October, 2017, being the Appointed Date under the Scheme.
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

8.2. **No changes in the terms and conditions of the employment of Transferor Company Employees:** From the date of acceptance of the Scheme by the respective Boards of Transferor Company and Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

8.3. **Enforcement of Legal Proceedings:** All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of Transferor Company or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against Transferor Company as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against Transferor Company if this Scheme had not been made. Transferee Company shall take steps to have the abovementioned proceedings continued in its name;

8.4. **Enforcement of Contracts:** Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Undertaking of Transferor Company and to which Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favor of Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of Transferor Company, Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between Transferee Company and other parties thereto. Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

8.5. **Rights of Shareholders:** The holders of shares of Transferor Company and Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

8.6. **Place of Vesting:** The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Sections 230 to 232 of the said Act, take place at the registered office of Transferee Company.

9. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

- a. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- b. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws, and other tax laws, and to claim refunds and/or credit for taxes paid/ (including Advance Tax, minimum alternate tax, tax deducted at source, wealth tax, GST inputs etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- c. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.
- d. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, applicable state value added tax laws, GST laws and other applicable laws and regulations dealing with taxes, duties, levies due to Transferor Company consequent to the assessment made to the Transferor Company and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.
- e. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, advance tax, tax deducted at source, wealth tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, Central Value Added Tax (CENVAT), registrations etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

10. EMPLOYEES OF TRANSFEROR COMPANY:

Upon the coming into effect of this Scheme:

- 10.1** Employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Company with any union/ employees of the Transferor Company and recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- 10.2** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds

and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

- 11. SAVING OF CONCLUDED TRANSACTIONS:** Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12. CREDITORS

- 12.1** The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- 12.2** The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

13. MERGER OF AUTHORIZED SHARE CAPITAL

- 13.1** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Act, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.
- 13.2** Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART III

CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

14. CANCELLATION OF SHARE CAPITAL

- 13.1** The Transferor Company, MITL is wholly owned subsidiary of the Transferee Company. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.
- 13.2** Upon the coming into effect of this scheme, the share certificates, if any, and/or the shares representing the shares held by the transferee company in the Transferor Company shall be deemed to be cancelled without any further act or deed.
- 13.3** Any sum of money owed by Transferee Company in Transferor Company or vice versa shall stand cancelled.

PART IV

ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

- 14.1 Recording of Assets and Liabilities:** All the assets and liabilities of the Transferor Company shall be transferred at their Book values at the close of the business on the Appointed Date. The reserve and surplus, if any, and debit balance in the Profit and Loss account shall be transferred to Transferee Company in the same manner in which it appears in the books of Transferor Company as on the Appointed Date. Similarly, the miscellaneous expenditure representing un-amortized preliminary expenses of the Transferor Company shall be transferred to the Transferee Company in the same manner in which they appear in the books of the concerned Transferor Company as on the Appointed Date;
- 14.2** Inter-company balances, if any, shall stand cancelled.
- 14.3 Treatment of Surplus/Deficit on account of cancellation of "Investments":** Consequent upon and simultaneously with the transfer and recording of assets and liabilities of the Transferor Company in the books of the Transferee Company, the carrying amount of "Investments" in the books of the Transferee Company in respect of its holding in the Transferor Company,

shall stand cancelled. The difference in the value of “Net Assets Transferred” and the carrying amount of Investments shall be adjusted in the reserves in accordance with the Accounting Standards or Generally Accepted Accounting Principles.

14.4 Treatment of difference in accounting policy: In case any differences in any accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in accordance with the accounting policies as stated in Accounting Standard (AS) 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

14.5 Procedure to deal with Balances as between Transferor Company and Transferee Company: To the extent that there are intercompany loans, deposits, balances as between the Transferor Company and Transferee Company or vice versa, the obligation in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets and liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loan, deposit or balances, with effect from the Appointed Date.

14.6 The amalgamation is in the nature of merger and shall be accounted in the books of Transferee Company as per the provisions of Accounting Standard-14 issued by the Institute of Chartered Accountants of India.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

15. DISSOLUTION OF TRANSFEROR COMPANY:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

16. EFFECTIVE DATE

The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferor and the Transferee Company with the Registrar of Companies, Kolkata.

16. APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING SCHEME:

16.1. Joint Application by Transferor Company and Transferee Company: Transferor Company and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Sections 230 to 232 and other applicable provisions of the said Act to the NCLT, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect;

16.2. It is hereby clarified that submissions of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

17. MODIFICATIONS TO THE SCHEME:

17.1. Scheme subject to Modifications: The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to;

17.2. Modifications and Amendments to Scheme: The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit approve or propose;

17.3. Withdrawal of Scheme: In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by Transferor Company or by Transferee Company, then Transferor Company and/or Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them;

18. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained.

18.1 The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the

Transferor Company and the Transferee Company, as may be directed by the Hon'ble National Company Law Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;

18.2 Sanction of NCLT, Kolkata Bench: The sanction of the National Company Law Tribunal, Kolkata Bench under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company

18.3 Approval of Reserve Bank of India: Prior written approval of Reserve Bank of India will be required to be taken by the Transferor Company. The Transferee Company is not required to take approval of Reserve Bank of India as there is no proposal for change in the shareholding pattern or paid up equity capital of the Transferee Company.

1. **Approval of SEBI and Stock Exchanges:** In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the abovesaid SEBI Notification/Circular.
2. Filing of certified copy of the order of the NCLT under clause 18.2 above with the Registrar of Companies, Kolkata, by the Transferor Company and the Transferee Company for registration;
3. Requisite sanction and/or approval of any Government or Regulatory authority as may be required under any law for the amalgamation;

19 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 18 above not being obtained, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, 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 as is specifically provided in the Scheme or may otherwise arise in law.

20 EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Company or Transferee Company, the non-performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision if any to the contrary under the Scheme.

21 COSTS AND EXPENSES:

All costs, charges and expenses of Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective companies.

22. RESIDUAL PROVISIONS:

On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this scheme.

The Scheme shall take effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

MAGMA FINCORP LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA FINCORP LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF MAGMA ITL FINANCE LIMITED WITH MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. Background:

- 1.1. The proposed Scheme of Amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferee Company at its meeting held on 9 November 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 9 November 2017 is required to be circulated along with notice convening meeting of the shareholders and/or creditors and/or debentureholders, as the case may be.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

By order of the Board
For **Magma Fincorp Limited**

Sd/-
Narayan K Seshadri
Chairman
DIN:00053563

Place: Mumbai
Date: 9 November, 2017

MAGMA ITL FINANCE LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA ITL FINANCE LIMITED ON THE SCHEME OF AMALGAMATION INTO MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

- 1.1. The proposed Scheme of Amalgamation among Magma ITL Finance Limited ("Transferor Company") into Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMP's), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 28 October 2017 is required to be circulated along with notice convening meeting of the shareholders and creditors.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferor Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (only class of shareholders) of the Transferor Company. The directors and KMPs of the Transferor Company will cease to be the directors and KMPs of the Transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the Transferee Company with effect from the effective date of the Scheme without having any adverse effect on them.

By order of the Board
For **Magma ITL Finance Limited**

Sd/-

Satya Brata Ganguly

Chairman appointed for the meeting

DIN:00012220

Place: Kolkata

Date: 28 October, 2017

Interim Condensed Balance Sheet

(` in lacs)

	Note No.	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,500.00	4,500.00
Reserves and surplus	4	8,922.76	8,651.52
		<u>13,422.76</u>	<u>13,151.52</u>
Non-current liabilities			
Long-term borrowings	5	15,852.94	19,135.29
Long-term provisions	6	4,753.96	2,281.96
		<u>20,606.90</u>	<u>21,417.25</u>
Current liabilities			
Short-term borrowings	7	13,270.52	22,413.80
Trade payables	8	-	-
- Due to micro and small enterprises		-	-
- Due to others		503.60	735.79
Other current liabilities	9	3,774.06	5,743.88
Short-term provisions	10	599.81	45.71
		<u>18,147.99</u>	<u>28,939.18</u>
TOTAL		<u><u>52,177.65</u></u>	<u><u>63,507.95</u></u>
ASSETS			
Non-current assets			
Property, Plant And Equipment	11	-	-
- Intangible assets		6.14	7.09
Non-current investments	12	175.17	316.50
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	-	-
- Assets on finance		29,133.49	37,799.81
- Others		613.60	610.29
Other non-current assets	15	190.72	1,235.51
		<u>30,119.12</u>	<u>39,969.20</u>
Current assets			
Current investments	16	310.26	411.38
Trade receivables	17	7.33	43.28
Cash and bank balances	18	5,127.65	4,320.79
Short-term loans and advances	19	-	-
- Assets on finance		15,745.95	17,607.55
- Others		685.22	926.67
Other current assets	20	182.12	229.08
		<u>22,058.53</u>	<u>23,538.75</u>
TOTAL		<u><u>52,177.65</u></u>	<u><u>63,507.95</u></u>

Accounting policies to interim condensed financial statements

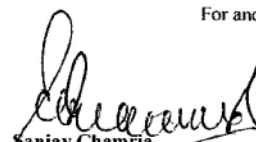
2

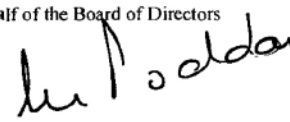
Notes to the interim condensed financial statements

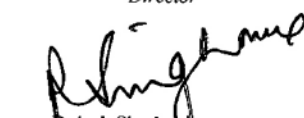
3 - 29

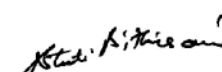
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

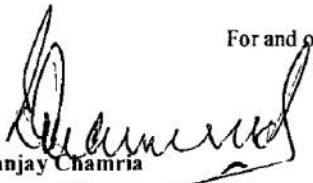
MAGMA ITL FINANCE LIMITED

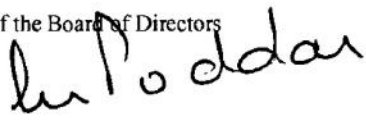
Interim Condensed Statement of Profit and Loss

(₹ in lacs)

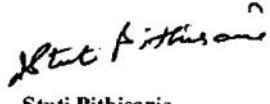
	Note No.	For the six months ended 30 September 2017 (Unaudited)
REVENUE		
Revenue from operations	21	4,613.83
Other income	22	109.98
Total revenue		4,723.81
EXPENSES		
Employee benefit expenses	23	573.04
Finance costs	24	2,257.97
Depreciation and amortisation expense	11	0.95
Provisions and bad debts written-off	25	629.74
Other expenses	26	240.87
Total expenses		3,702.57
Profit/ (Loss) before tax		1,021.24
Tax expenses		
Current tax - current year		750.00
Deferred tax		-
Profit/ (Loss) after tax		271.24
Earnings per equity share (nominal value of ₹ 10/- each)		
Basic and diluted (in ₹)	27	0.60
Accounting policies to interim condensed financial statements	2	
Notes to the interim condensed financial statements	3 - 29	
The accompanying notes are an integral part of the financial statements.		

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Interim Condensed Cash Flow Statement

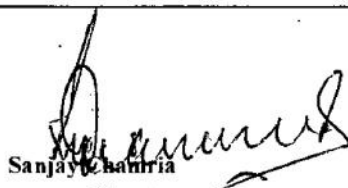
(₹ in lacs)

For the six months ended
30 September 2017

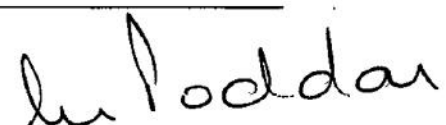
A. Net cash from Operating Activities	15,914.56
B. Net cash from Investing Activities	242.45
C. Net cash used in Financing Activities	(16,162.99)
Net decrease in cash & cash equivalents (A+B+C)	(5.98)
Cash and cash equivalents at the beginning of the period	14.55
Cash and cash equivalents as at the end of the period	8.57

CASH & CASH EQUIVALENTS (Note 18)

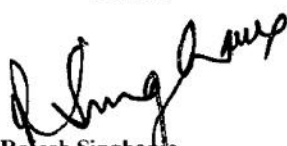
Cash in hand	0.17
Balance with banks	
In current accounts	8.40
	8.57


Sanjay Chandra

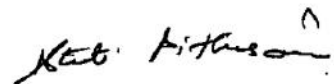
Director


Mayank Poddar

Director


Rajesh Singhania

Chief Financial Officer


Stuti Pithisaria

Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements

Note: 1

COMPANY OVERVIEW

Magma ITL Finance Limited ('the Company' or 'MITL') is a subsidiary company of Magma Fincorp Limited. The Company had received Certificate of Registration in March, 2008 from Reserve Bank of India and its commercial operation of financing (primarily tractor financing) commenced from July, 2008. MITL is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') with Reserve Bank of India. The Company is headquartered in Kolkata.

Note: 2

Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with Accounting Standard 25 (AS 25) , Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim financial statements have been prepared for the purposes of the Draft Scheme of Amalgamation (as necessary) in connection with the proposed merger of the Company with Magma Fincorp Limited.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 3		
SHARE CAPITAL		
Authorised		
175,000,000 (2017: 175,000,000) equity shares of ₹ 10/- each	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, subscribed and fully paid-up		
45,000,000 (2017: 45,000,000) equity shares of ₹ 10/- each	4,500.00	4,500.00
	<u>4,500.00</u>	<u>4,500.00</u>

a) Reconciliation of the number of equity shares outstanding and the amount of share capital

	As at 30 September 2017 (Unaudited)		As at 31 March 2017 (Audited)	
Equity shares of ₹ 10 each, fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	45,000,000	4,500.00	45,000,000	4,500.00
Outstanding at the end of the year	<u>45,000,000</u>	<u>4,500.00</u>	<u>45,000,000</u>	<u>4,500.00</u>

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the annual general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to preference shareholders. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% of aggregate equity share capital of the Company

	As at 30 September 2017 (Unaudited)			As at 31 March 2017 (Audited)		
Name of the equity shareholder	No. of shares	Amount	% of holding	No. of shares	Amount	% of holding
Magma Fincorp Limited (Holding Company)	45,000,000	4,500.00	100%	33,299,400	3,329.94	74%
International Tractors Limited	-	-	-	11,700,000	1,170.00	26%

d) Shares issued for consideration other than cash:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 4		
RESERVES AND SURPLUS		
Capital reserve	22.24	22.24
Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	2,350.00	2,350.00
Add: Transfer from surplus in the statement of profit and loss	-	-
	<u>2,350.00</u>	<u>2,350.00</u>
Surplus (balance in the statement of profit and loss)		
Opening balance	6,279.28	9,248.51
Add: Profit/ (Loss) after tax	271.24	(2,969.23)
	<u>6,550.52</u>	<u>6,279.28</u>
Appropriations		
Transferred to statutory reserve	-	-
Net surplus in the statement of profit and loss	<u>6,550.52</u>	<u>6,279.28</u>
	<u>8,922.76</u>	<u>8,651.52</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 5		
LONG-TERM BORROWINGS		
Term loans		
Secured		
from banks	4,852.94	5,735.29
	<u>4,852.94</u>	<u>5,735.29</u>
Other loans		
Unsecured		
from related parties	11,000.00	13,400.00
	<u>11,000.00</u>	<u>13,400.00</u>
	<u>15,852.94</u>	<u>19,135.29</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 6		
LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	45.07	45.07
Provision for compensated absences	25.27	28.80
Other provisions		
Provision for non-performing assets	4,583.62	2,088.09
Contingent provision against standard assets	100.00	120.00
	<u>4,753.96</u>	<u>2,281.96</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 7		
SHORT-TERM BORROWINGS		
Loans from banks		
Secured		
Cash credit facilities	1,270.52	9,913.80
Working capital demand loans	12,000.00	12,500.00
	<u>13,270.52</u>	<u>22,413.80</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 8		
TRADE PAYABLES		
Due to micro and small enterprises *	-	-
Due to others	503.60	735.79
	<u>503.60</u>	<u>735.79</u>

* The Company has no dues to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, as at 30 September 2017 and 31 March 2017. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 9

OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (Note 5)	2,566.27	4,169.46
Interest accrued but not due on borrowings	4.62	4.59
Other liabilities		
Advance from customers	375.51	444.88
Statutory liabilities	32.81	45.19
Pending remittance on assignment/ securitisation	692.06	932.77
Other payables	102.79	146.99
	3,774.06	5,743.88

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 10

SHORT-TERM PROVISIONS

Provision for employee benefits

Provision for gratuity	6.28	0.28
Provision for compensated absences	4.68	3.18

Other provisions

Provision for taxation (Net)	538.85	2.25
Contingent provision against standard assets	50.00	40.00
	599.81	45.71

Note - 11

PROPERTY, PLANT AND EQUIPMENT

Description of assets	Gross block				Depreciation and amortisation				Net block	
	As at 1 April 2017	Additions	Deletions	As at 30 Sep 2017	As at 1 April 2017	For the period	Deletions	As at 30 Sep 2017	As at 30 Sep 2017	
Intangible assets										
Computer softwares acquired	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14	
Total (Unaudited)	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14	

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 12

NON-CURRENT INVESTMENTS

Other investments (at cost)

Investment in pass through certificates	175.17	316.50
	175.17	316.50

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 13		
DEFERRED TAX ASSETS (NET)		
Deferred tax assets*	121.42	195.04
Deferred tax liabilities		
Fixed assets	1.86	2.02
Unamortised expenses (net)	119.56	193.02
	121.42	195.04
Deferred tax assets (Net)	-	-

*Deferred tax assets have been recognised to the extent of deferred tax liabilities.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 14		
LONG-TERM LOANS AND ADVANCES		
Assets on finance (secured)*		
considered good	24,835.72	35,158.13
considered doubtful	4,297.77	2,641.68
	29,133.49	37,799.81
Others (unsecured, considered good)		
Loan to employees	0.88	2.83
Tax advance and deduction at source (Net)	612.72	607.46
	613.60	610.29
	29,747.09	38,410.10

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 15		
OTHER NON-CURRENT ASSETS		
Non-current bank balances (Note 18)	-	888.84
Unamortised borrowings costs	129.64	153.32
Unamortised loan origination costs (net)	61.08	193.35
	190.72	1,235.51

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 16		
CURRENT INVESTMENTS		
Other investments (at cost)		
In pass through certificates	310.26	411.38
	310.26	411.38

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they became due for payment	-	-
Other debts	7.33	43.28
	<u>7.33</u>	<u>43.28</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.17	0.17
Balances with banks in current accounts	8.40	14.38
	<u>8.57</u>	<u>14.55</u>
Other bank balances		
Deposits with original maturity of 3 months or less	461.94	-
Deposits with original maturity of more than 3 months to 12 months	2,800.30	1,735.00
Current maturities of deposits with original maturity of more than 12 months	1,856.84	2,571.24
	<u>5,119.08</u>	<u>4,306.24</u>
	<u>5,127.65</u>	<u>4,320.79</u>

(a) Fixed deposits aggregating ₹ 4,792.33 lacs (2017: ₹ 5,185.61 lacs) are marked as lien with banks / SPVs towards cash collateral for securitisation of receivables.

(b) Fixed deposits with more than 12 months maturity aggregating to ₹ Nil (2017: ₹ 888.84 lacs) included under 'Other Non-Current Assets' (Note 15).

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 19		
SHORT-TERM LOANS AND ADVANCES		
Assets on finance (secured, considered good)*	15,745.95	17,607.55
	<u>15,745.95</u>	<u>17,607.55</u>
Others (unsecured, considered good)		
Loans and advances to related parties	1.31	189.06
Loan to employees	38.39	41.74
Advances recoverable in cash or in kind or for value to be received	600.87	653.18
Prepaid expenses	19.61	30.76
Balances with statutory/ government authorities	25.04	11.93
	<u>685.22</u>	<u>926.67</u>
	<u>16,431.17</u>	<u>18,534.22</u>

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 20		
OTHER CURRENT ASSETS		
Unamortised borrowings costs	82.02	110.71
Unamortised loan origination costs (net)	72.72	100.34
Interest accrued but not due on fixed deposits	27.38	18.03
	<u>182.12</u>	<u>229.08</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017
(Unaudited)

Note-21

REVENUE FROM OPERATIONS

Interest/ finance income

On assets on finance	4,058.20
On loan assigned / securitised	210.37
On pass through certificates	17.82
On fixed deposits	175.14
On loans and margins	60.66
	<u>4,522.19</u>

Other financial income

Management fees	8.52
Support services	24.39
Others	58.73
	<u>91.64</u>
	<u>4,613.83</u>

For the six months ended
30 September 2017
(Unaudited)

Note-22

OTHER INCOME

Bad debt recovered	109.98
	<u>109.98</u>

For the six months ended
30 September 2017
(Unaudited)

Note-23

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	487.53
Contribution to provident and other funds	30.85
Staff welfare expenses	54.66
	<u>573.04</u>

For the six months ended
30 September 2017
(Unaudited)

Note-24

FINANCE COSTS

Interest expense

On term loans	477.32
On cash credit and working capital facilities from banks	777.90
On loan from bodies corporate and others	878.98

Other borrowing costs

123.77
2,257.97

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017

(Unaudited)

Note-25

PROVISIONS AND BAD DEBTS WRITTEN-OFF

Bad debts and provision for non-performing assets (net)	639.74
Contingent provision against standard assets	(10.00)
	<u>629.74</u>

For the six months ended
30 September 2017

(Unaudited)

Note-26

OTHER EXPENSES

Outsourced manpower cost	51.56
Rent	2.05
Brokerage and commission	80.83
Rates and taxes	1.12
Advertisement and publicity	0.03
Travelling and conveyance	5.67
Professional fees	11.55
Legal expenses	76.38
Printing and stationery	0.61
Communication	1.04
Electricity charges	0.45
Office expenses	0.65
Corporate Social Responsibility Expenditure	2.13
Miscellaneous expenses	6.80
	<u>240.87</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

27 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For the six months ended 30 September 2017 (Unaudited)	Year ended 31 March 2017 (Audited)
	Basic and diluted			
1	Net profit as per statement of profit and loss	₹ Lacs	271.24	(2,969.23)
2	Weighted average number of Equity shares	No. of shares	45,000,000	45,000,000
3	Nominal value of Equity shares	₹	10.00	10.00
4	Earnings per share - Basic and diluted	₹	0.60	(6.60)

28 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
(A) Claims against the company not acknowledged as debt;		
(i) Income tax matters under dispute	0.19	0.19
(ii) Service tax matters under dispute	131.77	131.77
(B) Guarantees;		
(i) Unexpired bank guarantee	2,425.60	2,425.60

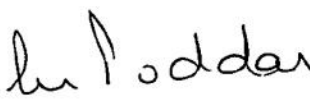
(b) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision required under any law/accounting standard/RBI regulation for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative transaction during the six months ended 30 September 2017 (2017: ₹ Nil).

29 Segment reporting

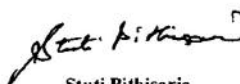
The Company is engaged in providing financial services to the customers in India. Considering the nature of risks and rewards of its services and its internal organisation and management structure, the Company has only one reportable business segment i.e. financial services and only one reportable geographical segment i.e. India.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report To the Board of Directors Magma Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Magma Fincorp Limited ('the Company'), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute 'the Group') for the quarter ended 30 September 2017 and the year to date consolidated financial results for the period 1 April 2017 to 30 September 2017 (together known as 'the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We did not review the condensed interim financial statements of one joint venture and one step-down subsidiary included in the unaudited consolidated financial results whose condensed interim financial statements reflect total assets of Rs 263,603 lakhs as at 30 September 2017 as well as total revenue of Rs 5,721 lakhs for the quarter ended 30 September 2017 and Rs 11,363 lakhs for the period 1 April 2017 to 30 September 2017 as considered in the Statement of the Group. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management. Our report on the Statement of the Group, in so far as it related to the amounts and disclosures included in respect of these joint venture and step-down subsidiary, is based solely on the reports of the other auditors.
5. We did not review the condensed interim financial statements of two subsidiary and one joint venture included in the consolidated financial results, whose condensed interim financial statements reflect total assets of Rs 79,063 lakhs as at 30 September 2017 as well as total revenue of Rs 1,932 lakhs for the quarter ended 30 September 2017 and Rs 4,750 lakhs for the period 1 April 2017 to 30 September 2017. These condensed interim financial statements have been furnished to us by management and our report on the Statement of the Group, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, is based solely on such condensed interim financial statements certified by respective management. Our opinion is not modified in respect of the said matter.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

Review report (continued)
Magma Fincorp Limited

6. Based on our review conducted as mentioned in paragraphs 3 to 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership No:046882

Place: Mumbai

Date: 9 November 2017



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		(₹ in lacs)
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	Year Ended 31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	53,129.01	54,922.87	59,877.89	108,051.88	120,462.10	234,561.95
(b) Operating result from general insurance business	25.69	(23.17)	138.96	2.52	(71.73)	(114.48)
(c) Other income	1,816.75	1,924.58	1,585.29	3,741.33	2,753.55	5,497.69
Total revenue (net)	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. Expenses						
(a) Employee benefits expense	8,903.53	8,862.47	7,282.04	17,766.00	15,002.09	29,332.04
(b) Finance costs	22,805.45	24,022.44	29,019.77	46,827.89	59,637.81	112,544.47
(c) Depreciation and amortisation expense	1,169.62	1,285.25	1,171.42	2,454.87	2,252.81	4,850.13
(d) Provisions and bad debts written-off	7,485.61	9,144.66	9,508.20	16,630.27	18,286.50	60,685.95
(e) Brokerage and commission	2,416.58	2,286.19	2,735.04	4,702.77	5,585.50	11,178.34
(f) Other expenses	4,222.21	4,429.69	4,228.02	8,651.90	8,185.73	16,675.11
Total expenses	47,003.00	50,030.70	53,944.49	97,033.70	108,950.44	235,266.04
3. Profit from ordinary activities before tax (1-2)	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
4. Tax expense						
(a) Current tax	2,950.98	2,353.16	3,162.53	5,304.14	5,081.57	1,500.08
(b) Deferred tax	132.02	(66.81)	(563.90)	65.21	(704.37)	1,905.81
Total tax expense	3,083.00	2,286.35	2,598.63	5,369.35	4,377.20	3,405.89
5. Net Profit from ordinary activities after tax (3-4)	4,885.45	4,507.23	5,059.02	9,392.68	9,816.28	1,273.23
6. Minority interest	8.12	(8.12)	18.05	-	87.57	(772.04)
7. Net Profit after taxes and minority interest (5-6)	4,877.33	4,515.35	5,040.97	9,392.68	9,728.71	2,045.27
8. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
9. Reserves and surplus						212,474.18
10. Earnings per share (not annualised)						
(a) Basic (in ₹)	2.06	1.91	2.13	3.96	4.11	0.86
(b) Diluted (in ₹)	2.05	1.90	2.12	3.95	4.09	0.86

See accompanying notes to the financial results

Consolidated Segment Reporting for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		(₹ in lacs)
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	Year Ended 31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. REVENUE						
(a) Finance and mortgages	54,508.92	56,411.70	60,916.66	110,920.62	122,160.39	238,354.38
(b) General insurance	109.18	26.96	248.51	136.14	115.27	361.06
(c) Others	353.35	385.62	436.97	738.97	868.26	1,229.72
TOTAL REVENUE	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. RESULT - PROFIT BEFORE TAX						
(a) Finance and mortgages	7,715.58	6,592.97	7,242.05	14,308.55	13,742.21	4,106.74
(b) General insurance	107.66	25.50	248.51	133.16	115.27	294.76
(c) Others	145.21	175.11	167.09	320.32	336.00	277.62
TOTAL	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
3. ASSETS						
(a) Finance and mortgages	1,247,813.43	1,272,969.29	1,407,878.58	1,247,813.43	1,407,878.58	1,309,673.86
(b) General insurance	46,568.96	45,016.47	41,500.22	46,568.96	41,500.22	43,154.01
(c) Others	6,827.80	6,818.72	7,423.44	6,827.80	7,423.44	6,693.54
TOTAL	1,301,210.19	1,324,804.48	1,456,802.24	1,301,210.19	1,456,802.24	1,359,521.41
4. LIABILITIES						
(a) Finance and mortgages	1,039,134.52	1,063,231.18	1,194,061.71	1,039,134.52	1,194,061.71	1,104,197.80
(b) General insurance	37,185.65	35,722.87	32,389.08	37,185.65	32,389.08	33,879.61
(c) Others	541.15	674.15	1,093.18	541.15	1,093.18	811.04
TOTAL	1,076,861.32	1,099,628.20	1,227,543.97	1,076,861.32	1,227,543.97	1,138,888.45



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017.

Particulars	(₹ in lacs)	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	219,604.92	212,472.60
(c) Fair value change account	4.48	1.58
Sub-total - shareholders' funds	224,348.87	217,213.37
2. Minority interest	-	3,419.59
3. Non-current liabilities		
(a) Long-term borrowings	296,438.13	310,929.43
(b) Long-term provisions	29,534.22	22,587.50
Sub-total - non-current liabilities	325,972.35	333,516.93
4. Current liabilities		
(a) Short-term borrowings	528,360.32	548,022.99
(b) Trade payables	22,743.05	19,760.05
(c) Other current liabilities	189,098.68	228,684.75
(d) Short-term provisions	10,686.92	8,903.73
Sub-total - current liabilities	750,888.97	805,371.52
TOTAL - EQUITY AND LIABILITIES	1,301,210.19	1,359,521.41
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	27,194.33	28,525.93
(b) Non-current investments	51,033.32	47,292.90
(c) Deferred tax assets (net)	1,909.13	1,974.34
(d) Long-term loans and advances	754,191.43	792,267.87
(e) Other non-current assets	15,928.62	19,761.60
Sub-total - non-current assets	850,256.83	889,822.64
2. Current assets		
(a) Current investments	10,558.25	7,356.05
(b) Trade receivables	1,105.54	674.93
(c) Cash and bank balances	42,767.56	35,330.96
(d) Short-term loans and advances	385,349.72	413,976.24
(e) Other current assets	11,172.29	12,360.59
Sub-total - current assets	450,953.36	469,698.77
TOTAL - ASSETS	1,301,210.19	1,359,521.41

- 2] The unaudited consolidated financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the consolidated financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] In accordance with Regulation 33 of the Listing Regulations, the Company shall publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The consolidated financial results have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) and comprise of the financial results of Magma Fincorp Limited, its subsidiaries, Magma ITL Finance Limited ('MITL') and Magma Advisory Services Limited ('MASL'), its step down subsidiary, Magma Housing Finance Limited ('MHFL') (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) (subsidiary of MASL) and Joint Venture Companies, Magma HDI General Insurance Company Limited ('MHDI') and Jaguar Advisory Services Private Limited ('JASPL').
- 6] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 7] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.

19/10/17



MAGMA FINCORP LIMITED

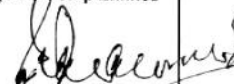
Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 8] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.
- 9] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 10] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively.
- 11] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 12] The Company has reported segment wise information as per Accounting Standard 17 (Segment Reporting) as prescribed under Section 133 of the Companies Act, 2013. As the operations of the Company are conducted through its subsidiaries and joint ventures within India, there is no separate reportable geographical segment.
- 13] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total income from operations	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Profit from ordinary activities before tax	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
3. Net Profit from ordinary activities after tax	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68

- 14] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary

By order of the Board
For Magma Fincorp Limited



Sanjay Chamria
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070
Registered Office : Magma House, 24 Park Street, Kolkata - 700 016
Website : www.magma.co.in; CIN : L51504WB1978PLC031813
Phone: 033-4401 7200/350, Fax: 033-4402 7731, E-mail: shabnum.zaman@magma.co.in

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
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Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To the Board of Directors
Magma Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Magma Fincorp Limited ('the Company') for the quarter ended 30 September 2017 and year to date results for the period 1 April 2017 to 30 September 2017 ('the Statement'). This Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **BSR & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Place: Mumbai

Date: 9 November 2017

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars		Quarter Ended			Year to Date		Year Ended
		30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Revenue						
	(a) Revenue from operations	46,073.01	47,004.38	50,479.18	93,077.39	101,327.80	197,297.85
	(b) Other income	1,828.80	1,866.22	1,386.31	3,695.02	2,400.52	4,906.65
	Total revenue	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2.	Expenses						
	(a) Employee benefits expense	7,796.86	7,538.26	5,571.02	15,335.12	11,357.32	23,020.76
	(b) Finance costs	19,401.64	20,314.77	24,046.64	39,716.41	49,699.15	93,788.05
	(c) Depreciation and amortisation expense	1,163.21	1,278.88	1,165.85	2,442.09	2,242.37	4,828.66
	(d) Provisions and bad debts written-off	7,810.27	7,735.90	8,777.26	15,546.17	16,436.06	54,232.49
	(e) Brokerage and commission	2,319.52	2,163.13	2,598.61	4,482.65	5,293.20	10,606.68
	(f) Other expenses	3,847.07	3,980.97	3,722.38	7,828.04	7,197.98	14,657.05
	Total expenses	42,338.57	43,011.91	45,881.76	85,350.48	92,226.08	201,133.69
3.	Profit from ordinary activities before tax (1-2)	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
4.	Tax expense						
	(a) Current tax	1,710.00	2,047.96	2,597.88	3,757.96	4,269.20	(330.07)
	(b) Deferred tax	166.21	(96.62)	(517.83)	69.59	(682.05)	791.20
	Total tax expense	1,876.21	1,951.34	2,080.05	3,827.55	3,587.15	461.13
5.	Net Profit from ordinary activities after tax (3-4)	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68
6.	Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
7.	Reserves and surplus						199,050.19
8.	Earnings per share (not annualised)						
	(a) Basic (in ₹)	1.56	1.65	1.65	3.20	3.34	0.26
	(b) Diluted (in ₹)	1.55	1.65	1.64	3.20	3.33	0.26

See accompanying notes to the financial results



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017

Particulars	₹ in lacs)	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	204,384.19	199,050.19
Sub-total - shareholders' funds	209,123.66	203,789.38
2. Non-current liabilities		
(a) Long-term borrowings	238,885.10	238,677.37
(b) Long-term provisions	22,720.64	18,534.81
Sub-total - non-current liabilities	261,605.74	257,212.18
3. Current liabilities		
(a) Short-term borrowings	481,449.06	487,335.75
(b) Trade payables	22,109.96	18,307.40
(c) Other current liabilities	123,377.78	171,123.45
(d) Short-term provisions	2,380.87	1,426.58
Sub-total - current liabilities	629,317.67	678,193.18
TOTAL - EQUITY AND LIABILITIES	1,100,047.07	1,139,194.74
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	20,317.20	21,643.99
(b) Non-current investments	57,494.57	53,284.47
(c) Deferred tax assets (net)	1,902.08	1,971.67
(d) Long-term loans and advances	598,105.93	624,483.61
(e) Other non-current assets	14,149.63	16,913.69
Sub-total - non-current assets	691,969.41	718,297.43
2. Current assets		
(a) Current investments	6,431.96	4,737.23
(b) Trade receivables	1,133.53	643.21
(c) Cash and bank balances	34,634.57	27,249.11
(d) Short-term loans and advances	358,915.88	380,302.82
(e) Other current assets	6,961.72	7,964.94
Sub-total - current assets	408,077.66	420,897.31
TOTAL - ASSETS	1,100,047.07	1,139,194.74

- 2] The unaudited standalone financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the standalone financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 5] During the quarter, the Company has acquired 26% equity shares of Magma IFL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.
- 6] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 7] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 8] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively.
- 9] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 10] As per paragraph 4 of Accounting Standard 17 (Segment Reporting) prescribed under Section 133 of the Companies Act, 2013, segment reporting needs to be presented only on the basis of consolidated financial results. In view of this, segment information has been presented in the consolidated financial results.
- 11] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary

By order of the Board
For **Magma Fincorp Limited**

Sanjay Chamtia
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070

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

Website : www.magma.co.in; **CIN :** L51504WB1978PLC031813

Phone: 033-4401 7200/350, **Fax:** 033-4402 7731; **E-mail:** shabnum.zaman@magma.co.in



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, **Website:** www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

**MEETING OF THE SECURED CREDITORS OF MAGMA FINCORPLIMITED
ON SATURDAY 17 FEBRUARY 2018 AT 12:00 P.M.**

ATTENDANCE SLIP

I/We hereby record my/our presence at the meeting of the Secured Creditors of Magma Fincorp Limited, convened pursuant to the Order dated 10 January 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench in C.A. (CAA) NO. 522/KB/2017, at Sitaram Seksaria Auditorium, BharatiyaBhashaParishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday 17 February 2018 at 12:00 Noon.

Serial No.	
Name	
Address	

Date:

Place:

Name of Proxy(in BLOCK LETTERS)

Signature of Secured Creditor/Proxy

Note:

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

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AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

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]

Name of the Secured Creditor(s) : _____

Address: _____

I/We, being the Secured Creditors(s), 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 act for me/us at the meeting of the Secured Creditors of Magma Fincorp Limited to be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday 17 February 2018 at 12:00 Noon for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST' and in the latter case, strike out the words below after 'the Scheme') the said Scheme of Amalgamation, either with or without modification*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed thisday of2018

Signature of Secured Creditors (s).....

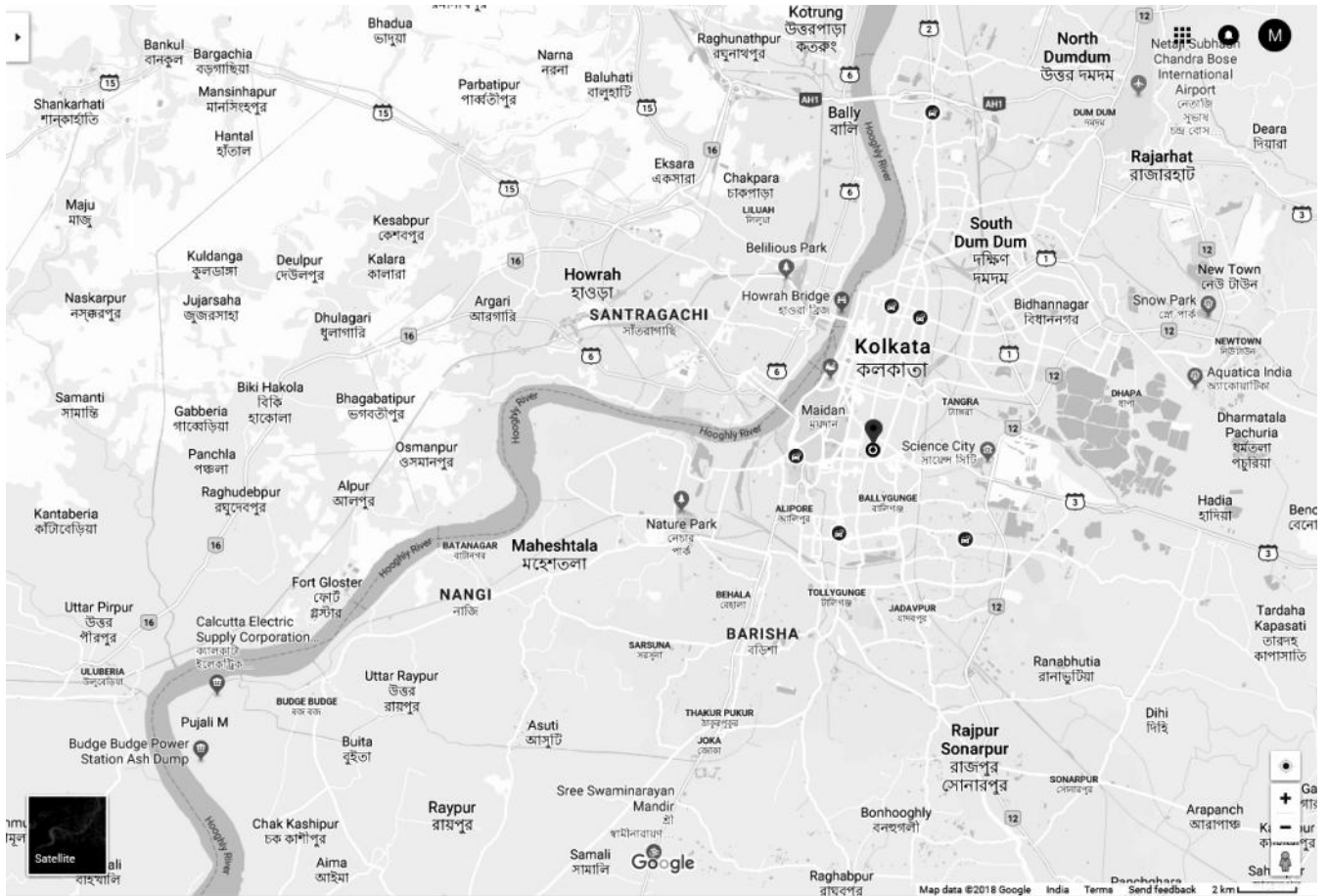
Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialled.

ROUTE MAP FOR THE NCLT CONVENED MEETING OF THE COMPANY SCHEDULED AT 17 FEBRUARY 2018.



VENUE :

Sitaram Seksaria Auditorium, Bharatiya Bhasha
Parishad, 36A Shakespeare Sarani, Kolkata - 700017

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; **Fax:** 033-44027731**POSTAL BALLOT FORM**

Serial No.	:
Name and Address of the Secured Creditor	:

I/We hereby exercise my/our vote in respect of the undernoted resolutions as per the Notice dated 11 January 2018, pursuant to the Order of the National Company Law Tribunal, Kolkata Bench dated 10 January 2018, by sending my/our Assent (**FOR**) or Dissent (**AGAINST**) to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief Description	I /We Assent to the resolution (FOR)	I /We Dissent from the resolution (AGAINST)
1.	Approval of the Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme") pursuant to the Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013.		

Date:

Place:

Signature of the Secured Creditor**Note:** Please read the instructions printed overleaf carefully before exercising the vote.

INSTRUCTIONS FOR FILLING BALLOT FORM

1. Consent must be accorded by recording the assent in the Column "FOR" or dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate columns. Postal Ballot Form bearing (✓) mark in both the columns will render the form invalid.
2. The voting period will commence on and from Thursday 18 January 2018 at 9.00 A.M. (IST) and end on Friday, 16 February 2018 at 5.00 P.M. (IST).
3. A Secured Creditor desiring to exercise vote by postal ballot, shall send the duly completed form in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer not later than 5.00 P.M. on 16 February 2018. Postage on the Business Reply Envelope will be borne by the Applicant Company. However, envelopes containing Postal Ballot, if sent by Courier or by Registered Post or Speed Post, at the expense of the Secured Creditor will also be accepted. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the Secured Creditor has not been received.
4. In case the Secured Creditors are bodies corporate, the Postal Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate.
5. Incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected by the Scrutiniser.
6. The vote on postal ballot cannot be exercised through proxy.
7. The National Company Law Tribunal, Kolkata Bench, has appointed Mr Anil Murarka, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

NOTICE OF NCLT CONVENED MEETING OF THE UNSECURED CREDITORS OF MAGMA FINCORP LIMITED

(convened pursuant to the order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	:	Saturday
Date	:	17 February 2018
Time	:	1:00 P.M.
Venue	:	Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017

POSTAL BALLOT

Start Date and Time	:	Thursday, 18 January 2018, 9:00 A.M.
End Date and Time	:	Friday, 16 February 2018, 5:00 P.M.

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5.	ANNEXURE 3 Unaudited financial statements of Magma ITL Finance Limited for the half year ended 30th September, 2017.	31 - 42
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7.	Attendance Slip	Loose leaf
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10.	Postal Ballot Form with instructions and Self- addressed postage prepaid Business Reply Envelope	Loose leaf

FORM NO. CAA.2

[Pursuant to Section 230(3) and rule 6 and 7]

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN:L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF MAGMA FINCORP LIMITED

To,

The Unsecured Creditors(s) of Magma Fincorp Limited ("MFL" or "Applicant Company" or "Transferee Company" or "Company")

Notice is hereby given that by an Order made on the 10th day of January 2018 in the above mentioned Company Application, The Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") has directed that a meeting to be held of the Unsecured Creditors of the Magma Fincorp Limited at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday, 17 February, 2018 at 1:00 P.M. ("**NCLT Convened Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the proposed amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Unsecured Creditors of the Transferee Company will be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017, on Saturday, 17 February, 2018 at 1:00 P.M. at which time and place the Unsecured Creditors of the Applicant Company are requested to attend and to consider and if thought fit, pass the following resolution, with or without modification(s):.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re-enactment thereof) to the extent notified and applicable; enabling provisions in the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), and subject to the approval of any statutory/regulatory authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities while granting such consent, approvals and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee constituted/to be constituted by the Board), approval of the Unsecured Creditors of the Company be and hereby accorded to the proposed Scheme of Amalgamation between Magma ITL Finance Limited and Magma Fincorp Limited and their respective shareholders in accordance with and on the terms and conditions as stated in the Scheme of Amalgamation, the copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification and the salient terms of which have been stated in the Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions and to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme of Amalgamation, to make or accept such alterations or changes or modifications in the Scheme of Amalgamation as may be advised by the regulatory authorities."

TAKE FURTHER NOTICE that the Unsecured Creditors entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at "Magma House", 24, Park Street, Kolkata- 700016, not later than 48 hours before the scheduled time of the commencement of the said meeting. The form of proxy can be obtained free of cost from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

TAKE FURTHER NOTICE that in compliance of the provision of Section 230(4) read with Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administrations) Rules, 2014 and rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Applicant Company has provided the facility of voting by postal ballot to the Unsecured Creditors to cast their votes on the resolution set forth in this Notice. Accordingly, you may cast your vote either through postal ballot or through ballot paper at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

The NCLT has appointed Mr. B L Sinha, Chartered Accountant, to be the Chairman of the said meeting including any adjournment thereof. The NCLT has appointed Mr. Anil Murarka, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot and voting through Ballot Paper at the venue of the meeting in a fair and transparent manner.

The Scheme, if approved in the aforesaid meeting, will be subject to the approval of the NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Place: Kolkata

Date: 11 January 2018

B L Sinha
Chairman appointed for the meeting

Registered Office:

Magma Fincorp Limited

CIN: L51504WB1978PLC031813

"Magma House", 24, Park Street, Kolkata - 700016, West Bengal.

Email: secretary@magma.co.in, Website: www.magma.co.in

Notes for NCLT Convened Meeting:

- 1) **AN UNSECURED CREDITOR OF THE APPLICANT COMPANY ENTITLED TO ATTEND AND VOTE AT THE NCLT CONVENED MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE AN UNSECURED CREDITOR OF THE APPLICANT COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of Unsecured Creditors not exceeding fifty and holding in the aggregate not more than ten percent of the total value of amount outstanding to Unsecured Creditors of the Company. An Unsecured Creditor holding more than ten percent of the total value of amount outstanding to Unsecured Creditors may appoint a single person as proxy and such person shall not act as a proxy for any other Unsecured Creditors.

- 2) Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative of a body corporate under Sections 112 and 113 of the Companies Act, 2013) at the NCLT Convened Meeting. The Authorized Representative of a body corporate which is a Unsecured Creditor of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board of Directors under section 113 of the Companies Act, 2013/ Power of Attorney/ Letter of Authority or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the NCLT Convened Meeting.
- 3) The voting period for postal ballot commences on Thursday, 18 January, 2018 (9.00 A.M.) IST and ends on Friday, 16 February 2018 (5.00 P.M.) IST.
- 4) The form of proxy can be obtained free of charge from the registered office of the Applicant Company or at the office of the Authorized Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8, Camac Street, Kolkata – 700 017.
- 5) All alterations made in the Proxy Form should be initialed.
- 6) An Unsecured Creditor or his proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
- 7) In terms of the directions contained in the Order dated 10 January 2018, the quorum for the Meeting shall be 5 (five) Unsecured Creditors of the Applicant Company, present either in person or by proxy.
- 8) Explanatory Statement for the proposed Resolution pursuant to Sections 230(3), 232 and 102 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts part of this Notice. Also all the annexures as mentioned above in the index and attached to this notice forms part of the Notice.
- 9) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the registered office of the Applicant Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.
- 10) A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Unsecured Creditors, voting through postal ballot form are requested to carefully read the instructions printed in the attached postal ballot form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage prepaid self-addressed envelope, so as to reach the Scrutinizer, not later than 5.00 P.M. on Friday, 16 February 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Unsecured Creditor.
- 11) The Notice, the Explanatory Statement together with the documents accompanying the same, are being sent to all the Unsecured Creditors either by registered post / speed post / courier service. The Notice along with copy of the Scheme and other documents may also be accessed on Company's website: www.magma.co.in
- 12) Kindly note that the Unsecured Creditors can opt for only one mode for voting i.e. either by postal ballot or voting at the venue of the meeting. Please further note that Unsecured Creditors who have voted through postal ballot may still attend the Meeting, however, they shall not be allowed to vote at the Meeting.
- 13) In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the Notice has been approved at the Meeting by a majority of Unsecured Creditors representing three fourth in value of such Unsecured Creditors of the Applicant Company, voting in person or by proxy or through postal ballot.
- 14) The queries, if any, related to the Scheme should be sent to the Applicant Company in the name of Ms. Shabnum Zaman, Company Secretary at its registered office at least 7 (seven) days before the meeting.
- 15) Mr. Anil Murarka, Practicing Company Secretary, has been appointed as the scrutinizer for scrutinizing the process of postal ballot and voting at the venue of the meeting in a fair and transparent manner. The scrutinizer shall submit a consolidated scrutinizer's

Report of the total vote cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting to the Chairman of the meeting or any other person authorised by the Chairman of the Meeting. Thereafter, the Results of the postal ballot and voting at the venue of the meeting shall be declared by the Chairman of the Meeting or the person authorised by the Chairman. The Result declared along with the Scrutinizer Report shall be placed on the website of the Applicant Company www.magma.co.in. and also be displayed on the Notice Board of the Applicant company at the Registered Office and simultaneously communicated to the Stock Exchanges where the shares of the Transferee Company are listed.

- 16) The Route map showing direction to reach the venue is annexed.

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

Explanatory Statement under Sections 230(3), 232 and Section 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. In this statement Magma ITL Finance Limited is referred to as the "Transferor Company" or "MITL" and Magma Fincorp Limited as the "Transferee Company" or "MFL" and collectively, they are referred to as the "Applicant Companies". The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders (herein after referred to as the "Scheme" or "Scheme of Amalgamation") will also apply to this statement under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement").
2. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof). The Transferor Company is a wholly owned subsidiary of the Transferee Company. Though the proposed Scheme of Amalgamation is between a holding Company and its wholly owned subsidiary, the Applicants have decided to use the provisions of Section 232 of the Companies Act, 2013 for the approval of the Scheme of Amalgamation as provided in Section 233 (14) of the Companies Act, 2013. The same have been decided to do so in view of the Transferee Company being a listed Company and having large number of Shareholders and creditors, thereby involving large public interest.
3. Pursuant to an Order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata ("NCLT") in CA(CAA) NO. 522/KB/2017 referred to hereinabove, meeting of Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies are being convened and held for the purposes of considering and, if thought fit, approving the amalgamation embodied in the Scheme between the Transferor Company and the Transferee Company and their respective shareholders. The meeting of the Equity Shareholders of the Transferor Company has been dispensed with by the order of NCLT. The details of the NCLT direction regarding calling, convening and conducting of the meetings are as follows:

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Equity Shareholders of Magma Fincorp Limited	Date: 17 February 2018 Time: 11:00 A.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Secured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 12:00 Noon Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 1:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Debenture Holders of Magma Fincorp Limited	Date: 17 February 2018 Time: 2:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Secured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 3:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 4:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

4. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Equity Shareholders and Debenture Holders of the Transferee Company and the Secured Creditors and Unsecured Creditors of each of the Applicant Companies, voting in person or by proxy or by postal ballot or remote e-voting, as applicable, agree to the Scheme.
5. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, approved by Board of Directors of the Applicant Companies at their respective meetings held on 28 October 2017 of MITL and 9 November 2017 of MFL is attached to this Explanatory Statement and forms part of this statement. A copy of the Scheme has also been filed with the Registrar of Companies, West Bengal.

6. **Background of the Companies:**

I. Magma Fincorp Limited

- a. Magma Fincorp Limited is a listed public limited Company which was originally incorporated on 18th December, 1978 as a private limited Company in the name and style of "ARM GROUP ENTERPRISES PRIVATE LIMITED" under the Companies Act, 1956. Subsequently on 30th of October, 1980, the Company was converted to a Public Limited Company and the name was changed to "ARM GROUP ENTERPRISES LIMITED". Thereafter on the 24th of August, 1993, the name of the Company was changed to "MAGMA LEASING LIMITED" and again on the 19th June, 2007, the name of the Company was changed to "MAGMA SHRACHI FINANCE LIMITED". Thereafter again on 1st July, 2008, the name of the Company was finally changed to "MAGMA FINCORP LIMITED". Since then the Company is carrying out business in the name of "MAGMA FINCORP LIMITED" with CIN: L51504WB1978PLC031813, PAN: AABCM9445K 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 email address of the Transferee Company is secretary@magma.co.in.
- b. There has been no change in the registered office of the Transferee Company since the last 5 (Five) years.
- c. There has been no change in the name of the Transferee Company since the last 5 (Five) years.
- d. The following are the details of the promoters of the Transferee Company:

Sl No.	Name of the Promoter	Address
1.	Celica Developers Private Limited	24, Park Street, Kolkata-700016
2.	Microfirm Capital Private Limited	24, Park Street, Kolkata-700016
3.	Columbine Decorative & Marketing Private Limited	24, Park Street, Kolkata-700016
4.	Ashita Poddar	24, Park Street, Kolkata-700016
5.	Kalpana Poddar	24, Park Street, Kolkata-700016
6.	Mansi Poddar	24, Park Street, Kolkata-700016
7.	Shaili Poddar	24, Park Street, Kolkata-700016

- e. The shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- f. As on 30th September, 2017 an amount of Rs. 6,04,132.36 lakhs and Rs. 1,20,049.27 lakhs was due to Secured and Unsecured Creditors respectively of the Transferee Company. The Transferee Company shall repay the Secured and Unsecured Creditors in normal course of business. The Transferee Company also has outstanding debentures of Rs. 1,18,710 lakhs as on 30th September, 2017.

- g. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 30th September, 2017 is as under:

Particulars	Amount (Rs)
Authorized share capital	
26,50,00,000 Equity shares of Rs. 2 each	53,00,00,000
543,00,000 Preference Shares of Rs.100 each	543,00,00,000
Total	596,00,00,000
Issued, subscribed and paid-up share capital	
23,69,73,672 Equity shares of Rs.2 each	47,39,47,344
Total	47,39,47,344

- h. The main objects of the Transferee Company as set out in its Memorandum of Association is as under:
- 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.

There has been no change in the object clause of the Transferee Company since the last 5(Five) years.

- i. The Transferee Company is primarily engaged in the business of Assets Financing.

II. Magma ITL Finance Limited

- a. Magma ITL Finance Limited is a public limited Company, incorporated on 1st November, 2007 under the Companies Act, 1956 with CIN:U65910WB2007PLC120137, PAN: AAFCM2742R 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 email address of the Transferor Company is stuti.pithisaria@magma.co.in
- b. There has been no change in the registered office of the Transferor Company since last 5 (Five) years.
- c. There has been no change in the name of the Transferor Company since the last 5 (Five) years.
- d. The shares of the Transferor Company are not listed. The Transferor Company is wholly owned subsidiary of the Transferee Company.
- e. The following are the details of the promoters of the Transferor Company:

Sl. No.	Name of promoter	Address
1.	Magma Fincorp Limited	"Magma House", 24, Park Street, Kolkata- 700016

- f. As on 30th September, 2017 a total of Rs. 20,694.35 lakhs and Rs. 12,025.01 lakhs was due to Secured and Unsecured Creditors respectively of the Transferor Company.
- g. The authorized, issued, subscribed and paid-up share capital of Transferor Company, as on 30th September, 2017 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
17,50,00,000 equity shares of Rs. 10 each	175,00,00,000
Total	175,00,00,000
Issued, subscribed and paid-up share capital	
4,50,00,000 equity shares of Rs. 10 each	45,00,00,000
Total	45,00,00,000

- h. The main objects of the Transferor Company as set out in its Memorandum of Association is as under:
- a. To carry on and undertake business as financiers to finance operations of tractors whether by managing, purchasing, selling, hiring, letting on hire, and dealing in all kinds of property, movable or immovable, goods, chattels, motor-cars, motor-buses, motor-lorries, lands, bullion, stocks, shares, Government Bonds, and marketing and distribution of all kinds of financial products, including extending various types of retail loans and products as well as market various financial products and offering and/or marketing of insurance products, to various potential customers in the agricultural sector.
 - b. 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.
 - c. To act as investors, guarantors, underwriters, financiers and, to lend 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 take 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 the business of equipment leasing, hiring, hire-purchase, asset based finance of all kinds including 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
 - e. 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 counselors 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.
 - f. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept, or implement any takeover bids, mergers, 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 acquisition of shares or assets and liabilities, and whether as a going concern or as a part of concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation, formation or setting up of concerns and undertaking whether as Company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
 - g. To carry on the business of arranging, organizing, executing all kind of financial activities and services such as bill discounting, factoring, loan syndication to purchase book debts and receivables for companies and lend and give credit against the same, project financing, turnkey projects, undertake venture capital funding, promoters funding, funding of securities of all types, industrial financing and commercial financing, money management, corporate takeovers, financing against securities, trade finance, consumer finance and inter corporate loan and deposits, issue of guarantee or indemnity bonds in India and Abroad and act as general financiers.
 - h. To act as financial consultants and provide advisory services in various fields like finance management, investments,

projects, capital market portfolio, corporate matters, accountancy, business commercial, administrative, secretarial, public relations, scientific, technical, statistical, economic, industrial, insurance valuer, legal including taxation laws, data processing and quality control.

- i. To carry on business of financing by advancing money with or without securities upon such terms and conditions as the Company may think fit to any individual, firm, Company or any other enterprises, provided that the Company shall not carry on Banking business as defined in the Banking Regulations Act, 1949 or any statutory modification thereof.
- j. 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.

There has been no change in the object clause of the Transferor Company in the last 5(Five) years.

- i. The Transferor Company is primarily engaged in the business of Tractor Financing.

7. Rationale and Benefits of the Scheme

The rationale for the Scheme are briefly stated below:

- 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. 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.
- v. 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.
- vi. 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.
- vii. 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.

8. Salient features of the Scheme are set out asbelow:

- a) The Scheme envisages the Amalgamation of Magma ITL Finance Limited, as a "going concern" with Magma Fincorp Limited pursuant to Sections 230 to 232 read with Section 233 and other applicable provisions, if any of the Companies Act, 2013.
- b) The Transferor Company is a wholly owned subsidiary of the Transferee Company. Since the entire share capital of the Transferor Company is held by the Transferee Company and its nominees, there shall be no issue of shares by the Transferee Company in respect of its holding in the Transferor Company pursuant to the amalgamation under this Scheme. Upon the Scheme becoming effective, the entire paid up share capital of the Transferor Company, shall be cancelled and extinguished.
- c) The Appointed Date for the purpose of the Scheme and for Income Tax Act, 1961 shall be 1st October, 2017 and the Effective Date means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- d) The Scheme shall be effective subject to the receipt of sanctions, approvals and consents as laid down therein.
- e) Some of the important clauses of the Scheme are reproduced herein below:
 - (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the Appointed

Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.

- (b) Without prejudice to the provisions of 3.2.1 (a) of the Scheme, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) of the scheme, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- (f) On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (g) With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HERewith) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.

9. Relationship subsisting between the Companies who are Parties to the Scheme:

The Transferor Company is wholly owned subsidiary of the Transferee Company.

10. Board Meeting

Transferee Company:

The Scheme was approved by the Board of Directors of the Transferee Company at its meeting held on 9th November, 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferee Company who were present at the meeting, i.e. Mr. Narayan K Seshadri, Mr. Mayank Poddar, Mr. Sanjay Chamria, Mr. Nabankur Gupta, Mr. Satya Brata Ganguly, Mr. V K Viswanathan and Ms. Madhumita Dutta-Sen voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferee Company who attended and voted at the meeting.

Transferor Company:

The Scheme was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferor Company who were present at the meeting, i.e. Mr. Mayank Poddar, Mr. Satya Brata Ganguly and Mr. Sumit Binani voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferor Company who attended and voted at the meeting.

11. Effect of the Scheme

i. Key Managerial Personnel

The Scheme does not affect the Key Managerial Personnel of the Transferee Company. The Key Managerial Personnel of the Transferor Company shall be transferred to and be engaged by the Transferee Company, without any interruption of services and on such terms and conditions as are no less favourable than the Transferee Company and without any interruption of service as a result of the amalgamation. Notwithstanding the aforementioned, the Key Managerial Personnel of the Transferor Company may not be appointed as the Key Managerial Personnel of the Transferee Company.

ii. Directors

The Scheme does not affect the Directors of the Transferee Company except for their limited interests as Directors of Transferor Company. The Directors of the Transferee Company shall continue to hold their position as Director on the Board of the Transferee Company. The Directors of the Transferor Company shall cease to be Directors of the Transferor Company, consequent to dissolution of the Transferor Company upon the Scheme becoming effective.

iii. Promoters and Non-Promoters

The Transferor Company is wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominee and the same shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to Transferor Company. Further, Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

iv. Depositors and Deposit Trustee:

There are no depositors and Deposit Trustee in the Transferee Company or the Transferor Company.

v. Creditors and Debentureholders and Debenture Trustee :

The rights and interests of Secured Creditors and Unsecured Creditors including the Debenture Holders and Debenture Trustee of the Transferee Company or the secured and unsecured Creditors of the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner post the Scheme.

vi. Employees: Upon the coming into effect of this Scheme:

The rights and interests of the employees of the Transferor Company will not be prejudicially affected by the Scheme as such employees will become employees of Transferee Company at the agreed terms and conditions without any break or interruption in service.

12. Disclosure about effect of compromise or amalgamation on material interests of directors, Key Managerial Personnel and debenture trustee:

The Scheme of Amalgamation has no impact on the material interests of directors and Key Managerial Personnel of the Applicant Companies and Debenture Trustees of the Transferee Company.

13. A report adopted by the directors of the Applicant Companies explaining effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any is attached herewith as 'Annexure 2'.

14. Approvals

- i. Both the Transferor Company and Transferee Company are Non-Banking Financial Companies. The Transferor Company is required to obtain prior approval of Reserve Bank of India (RBI) and accordingly an application was made to RBI. RBI vide its letter dated 17th November 2017 conveyed its "No Objection" to the proposed amalgamation of Transferor Company with the Transferee Company.
- ii. In terms of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and circular bearing No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, issued by SEBI ("SEBI Circular"), draft Scheme of Amalgamation of wholly owned subsidiaries with their parent Company shall be filed with the Stock Exchange for the purpose of disclosure only and no prior written approval of the Stock Exchanges shall be required. The Transferee Company has filed the draft Scheme of Amalgamation in terms of the aforesaid SEBI Circular to the Stock Exchanges on 21st November, 2017.

15. Valuation Report:

The Transferor Company is a wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to the shareholders of Transferor Company. Hence, there is no need for valuation of the shares of the Applicant Company.

16. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferee Company and their respective shareholdings in Transferee and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
	Directors			
1.	Mr. Narayan K Seshadri, Non-Executive Independent Chairman (DIN: 00053563)	Skylark Co-operative Housing Society Ltd. Little Gibbs Road, Malabar Hill Mumbai 400 006	NIL	NIL
2.	Mr. Mayank Poddar, Chairman Emeritus & Whole Time Director (DIN: 00009409)	24, Park Street, Kolkata – 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Mr. Sanjay Chamria, Vice Chairman & Managing Director (DIN: 00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
4.	Mr. Nabankur Gupta, Non-Executive Independent Director (DIN: 00020125)	11 Jayshree, 75 Worli Seaface, Mumbai - 400 025	5000	NIL
5.	Mr. Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata 700027	NIL	NIL
6.	Mr. V K Viswanathan, Non-Executive Independent Director (DIN: 01782934)	Legacy Caldera, #56, SRT Road, Cunningham, Cross Road, Bangalore – 560 052	1432	NIL

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
7.	Mr. Sanjay Nayar, Non-Executive Director (DIN: 00002615)	The Rushilla Co-op housing Society Limited, 17/C Carmichael Road, Mumbai – 400 026	NIL	NIL
8.	Ms. Madhumita Dutta-Sen, Non-Executive Director (DIN:07885010)	4429, Fessenden St NW, Washington, DC 20016, United States of America	NIL	NIL
Key Managerial Personnel				
9.	Mr. Kailash Baheti, Chief Financial Officer	26, Prince Anwar Shah Road, Kolkata- 700033	20000	NIL
10.	Ms. Shabnum Zaman, Company Secretary	80 B, Dr. Sudhir Bose Road, Kolkata-700023	NIL	NIL

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, none of the Directors and Key Managerial Personnel of the Transferee Company hold any shares in the Transferor Company.

17. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferor Company and their respective shareholdings in the Transferee Company and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
Directors				
1.	Sanjay Chamria, Non-Executive Chairman (DIN:00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
2.	Mayank Poddar, Non-Executive Director (DIN:00009409)	24, Park Street, Kolkata - 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata - 700027	NIL	NIL
4.	Sumit Binani, Non-Executive Independent Director (DIN: 01113411)	Sun-City Complex, 105/1, Bidhannagar Road, Kolkata- 700 067	NIL	NIL
Key Managerial Personnel				
5.	Rajesh Singhanian, Chief Financial Officer	VIP Enclave, VIP Road, Baguiati, Kolkata-700059	200	NIL
6.	Stuti Pithisaria, Company Secretary	New Alipore Residency, 45A Buroshibtalla Main Road, New Alipore-700 038	NIL	NIL

The Transferor Company is a wholly owned subsidiary of the Transferee Company. For the purpose of maintaining minimum number of members, the Transferor Company has 7 shareholders. However, all the other shareholders are only nominee of the Transferee Company. Further, none of the Directors of the Transferor Company hold any shares in the Transferee Company.

18. The Directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.
19. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares will be issued by the Transferee Company. There will be no change in the paid up capital and shareholding pattern of the Transferee Company post amalgamation.
20. Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act 2013, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on

the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.

21. No investigation proceedings have been instituted or are pending under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. No winding up petitions have been admitted or filed against Applicant Company.
22. This statement may be treated as an Explanatory Statement under Section 232 of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 in respect of meeting of the Unsecured Creditors of the Applicant Company.
23. On the Scheme being approved by the requisite majority of Equity Shareholders and Debenture Holders of the Transferee Company and Secured Creditors and Unsecured Creditors of each of the Applicant Companies, the Applicant Companies shall file a joint petition with the National Company Law Tribunal at Kolkata for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.
24. The Scheme is not prejudicial to the interest of the members of the Applicant Companies.
25. The following documents will be open for inspection by the members of the Applicant Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 12.00 Noon upto Saturday 17 February 2018 at its registered office;
 - a. Papers and proceedings in CA (CAA) No. 522/KB/2017 including Certified Copy of the Order of the National Company Law Tribunal at Kolkata in the said Company Application directing the convening and holding of the meeting of the Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies;
 - b. Scheme of Amalgamation;
 - c. Memorandum and Articles of Association of Transferor Company and Transferee Company;
 - d. Annual Report of Transferor Company and Transferee Company for the financial year ended 31st March, 2017;
 - e. 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.
 - f. Copy of Register of Director's Shareholdings of Applicant Companies.
26. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

Place: Kolkata

Date: 11 January, 2018

Registered Office:
Magma Fincorp Limited
CIN:L51504WB1978PLC031813
"Magma House", 24, Park Street, Kolkata- 700016, West Bengal.
Email: secretary@magma.co.in, Website: www.magma.co.in

B. L. Sinha

Chairman appointed for the meeting

SCHEME OF AMALGAMATION
UNDER SECTION 230 to 232
OF
THE COMPANIES ACT, 2013
OF
MAGMA ITL FINANCE LIMITED
- Transferor Company
WITH
MAGMA FINCORP LIMITED
- Transferee Company
AND
THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. DESCRIPTION OF THE COMPANIES AND THEIR BACKGROUND

1. **MAGMA ITL FINANCE LIMITED (“MITL” or the “Transferor Company”)** having Corporate Identity number U65910WB2007PLC120137 is a company incorporated on 1st November, 2007, under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal. It is a wholly owned subsidiary of Magma Fincorp Limited, the Transferee Company. The Company is registered with the Reserve Bank of India as non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
2. **MAGMA FINCORP LIMITED (“MFL” or “Transferee Company”)** having Corporate Identity Number L51504WB1978PLC031813 is a company incorporated on 18th December, 1978 under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata - 700 016, West Bengal. The Company is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
3. The equity shares of the Transferee Company are listed with both BSE Ltd and National Stock Exchange of India Limited.
4. The Transferor Company is a wholly-owned subsidiary of the Transferee Company. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

B. RATIONALE FOR THE SCHEME

The amalgamation of MITL with the Transferee Company (MFL) would, inter alia, have the following benefits:

- 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. 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.

- v. 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.
- vi. 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.
- vii. 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.

C. Parts of the Scheme

This Scheme of Amalgamation is divided into the following parts:

1. Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
2. Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
3. Part III deals with the cancellation of share capital of the Transferor Company.
4. Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company;
5. Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of MITL (the Transferor Company) with MFL (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.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless the context otherwise requires, the following expression shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013, including any statutory modifications, re-enactments or amendments for the time being in force;
- 1.2. **"Appointed Date"** means 1st October 2017;
- 1.3. **"Assets"** in relation to Transferor Company means Fixed Assets, Loans and Advances, Investments, Current Assets, Loan and Advances, debit balance in Profit and Loss account and any other Assets as per the books of the Transferor Company as at 30th September, 2017;
- 1.4. **"Board of Directors" or "Board"** means the board of directors of MFL or MITL, as the case may be, and shall include a duly constituted committee thereof
- 1.5. **"BSE"** means BSE Limited;
- 1.6. **"Effective Date"** means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with Registrar of Companies, Kolkata. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.7. **"Liabilities"** in relation to the Transferor Company means Loan Funds, Current Liabilities, Reserves and Surpluses (including balance in Profit and Loss Account) provisions and all other liabilities of the Transferor Company as per the books of the Transferor Company as at 30th September, 2017;
- 1.8. **"MITL"** means MAGMA ITL FINANCE LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.9. **"MFL"** means MAGMA FINCORP LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.10. **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal under the Companies Act, 2013
- 1.11. **"NSE"** means National Stock Exchange of India Limited.

1.12. “Stock Exchange” means BSE and NSE.

1.13. “Scheme” means the Scheme of Amalgamation in the present form submitted to the NCLT, Kolkata Bench for sanction or with any modification(s) approved or imposed or directed by the Tribunal;

1.14. “Transferor Company” means “MITL.”

1.15. “Transferee Company” means “MFL.”

1.16. “Undertaking of Transferor Company” shall mean and include the following:

- (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, concessions, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages, of whatsoever nature and wherever situated of every description belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor Company as on the Appointed Date, and
- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to Transferor Company standing in the books of Transferor Company as on the Appointed Date as provided herein.
- (c) all records, files, papers, designs, and process information, computer programmes, manuals, data, sales and advertising materials and other records, whether in physical form or electronic form of the Transferor Company;
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- (e) Without prejudice to the generality of the foregoing mentioned hereinabove, the term “Undertaking of Transferor Company” shall include the entire business which is being carried out under the name and style of Transferor Company and shall include the advantages of whatsoever nature, agreements, contracts, entitlements, permits, permissions, registrations, allotments, approvals, arrangements, authorizations, benefits, , concessions, rights and assets, Domains, intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota rights, registration, reserves, waivers, acknowledgments and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, and all benefits including subsidies, grants, incentives, tax credits, tax deferrals, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, brands, goodwill, all other utilities held by Transferor Company or to which Transferor Company are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

2. SHARE CAPITAL:

2.2.1. MITL is a Public Limited Company. It is a wholly-owned subsidiary of MFL. The details of Capital of MITL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorized Capital:	
17,50,00,000 equity shares of Rs. 10/- each	17,500.00
Issued, Subscribed and Paid-up Capital:	
4,50,00,000 equity shares of Rs. 10/- each	4,500.00

2.2.2. MFL is a Public Limited Company listed on BSE and NSE. The details of Capital of MFL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorised Capital	
26,50,00,000 Equity shares of Rs 2/- each	5,300.00
5,43,00,000 Preference shares of Rs. 100/- each	54,300.00
Total	59,600.00
Issued, Subscribed and Paid-Up Capital	
23,69,73,672 Equity shares of Rs. 2/- each fully paid up	4,739.47
Total	4739.47

2.2.3. Subsequent to above, there is no change in the Capital Structure of Transferee or Transferor Company.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

3. TRANSFER OF "UNDERTAKING" OF TRANSFEROR COMPANY:

3.1. Generally: Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions of Section 230 and 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

3.2. Transfer of assets:

3.2.1. Without prejudice to the generality of Clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the appointed date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of 3.2.1 (a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) above, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.3. Transfer of Liabilities:

3.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description

whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.3.2.** All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 3.3.3.** Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.4.** All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.3.5.** Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.6.** 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.

3.4. Encumbrances:

- 3.4.1.** The transfer and vesting of the assets comprised in the undertaking to and in the Transferee Company under clause 3.1 and 3.2 of this scheme shall be subject to the mortgages and charged, if any, affecting the same, as and to the extent hereinafter provided.
- 3.4.2.** All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), 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 Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances 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 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.
- 3.4.3.** 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 Effective 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.

- 3.4.4.** Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 3.4.5.** It is expressly provided that, 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.
- 3.4.6.** The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.
- 3.4.7.** Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

4. INTER - SE TRANSACTIONS

Without prejudice to the provisions contained in this Scheme, 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.

5. CONTRACTS, DEEDS, ETC.:

- 4.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligor thereto or thereunder.
- 4.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 5. LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

- 6. TRANSFER OF PROFITS AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company;

7. CONDUCT OF BUSINESS:

8.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) All taxes (including income tax, GST, service tax, Value Added Tax (VAT), etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, GST, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (d) On the Scheme becoming effective, the Transferee Company shall be entitled to file/ revise its income tax returns, TDS Returns and other statutory returns, if required and shall have the right to claim refunds, depreciation benefits etc., if any, as also the income returns filed by the Transferor Company so far as is necessitated on account of the Scheme becoming effective from 1st October, 2017, being the Appointed Date under the Scheme.
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

8.2. **No changes in the terms and conditions of the employment of Transferor Company Employees:** From the date of acceptance of the Scheme by the respective Boards of Transferor Company and Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

8.3. **Enforcement of Legal Proceedings:** All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of Transferor Company or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against Transferor Company as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against Transferor Company if this Scheme had not been made. Transferee Company shall take steps to have the abovementioned proceedings continued in its name;

8.4. **Enforcement of Contracts:** Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Undertaking of Transferor Company and to which Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favor of Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of Transferor Company, Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between Transferee Company and other parties thereto. Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

8.5. **Rights of Shareholders:** The holders of shares of Transferor Company and Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

8.6. **Place of Vesting:** The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Sections 230 to 232 of the said Act, take place at the registered office of Transferee Company.

9. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

- a. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- b. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws, and other tax laws, and to claim refunds and/or credit for taxes paid/ (including Advance Tax, minimum alternate tax, tax deducted at source, wealth tax, GST inputs etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- c. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.
- d. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, applicable state value added tax laws, GST laws and other applicable laws and regulations dealing with taxes, duties, levies due to Transferor Company consequent to the assessment made to the Transferor Company and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.
- e. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, advance tax, tax deducted at source, wealth tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, Central Value Added Tax (CENVAT), registrations etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

10. EMPLOYEES OF TRANSFEROR COMPANY:

Upon the coming into effect of this Scheme:

- 10.1** Employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Company with any union/ employees of the Transferor Company and recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- 10.2** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds

and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

- 11. SAVING OF CONCLUDED TRANSACTIONS:** Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12. CREDITORS

- 12.1** The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- 12.2** The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

13. MERGER OF AUTHORIZED SHARE CAPITAL

- 13.1** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Act, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.
- 13.2** Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART III

CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

14. CANCELLATION OF SHARE CAPITAL

- 13.1** The Transferor Company, MITL is wholly owned subsidiary of the Transferee Company. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.
- 13.2** Upon the coming into effect of this scheme, the share certificates, if any, and/or the shares representing the shares held by the transferee company in the Transferor Company shall be deemed to be cancelled without any further act or deed.
- 13.3** Any sum of money owed by Transferee Company in Transferor Company or vice versa shall stand cancelled.

PART IV

ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

- 14.1 Recording of Assets and Liabilities:** All the assets and liabilities of the Transferor Company shall be transferred at their Book values at the close of the business on the Appointed Date. The reserve and surplus, if any, and debit balance in the Profit and Loss account shall be transferred to Transferee Company in the same manner in which it appears in the books of Transferor Company as on the Appointed Date. Similarly, the miscellaneous expenditure representing un-amortized preliminary expenses of the Transferor Company shall be transferred to the Transferee Company in the same manner in which they appear in the books of the concerned Transferor Company as on the Appointed Date;
- 14.2** Inter-company balances, if any, shall stand cancelled.
- 14.3 Treatment of Surplus/Deficit on account of cancellation of "Investments":** Consequent upon and simultaneously with the transfer and recording of assets and liabilities of the Transferor Company in the books of the Transferee Company, the carrying amount of "Investments" in the books of the Transferee Company in respect of its holding in the Transferor Company,

shall stand cancelled. The difference in the value of “Net Assets Transferred” and the carrying amount of Investments shall be adjusted in the reserves in accordance with the Accounting Standards or Generally Accepted Accounting Principles.

14.4 Treatment of difference in accounting policy: In case any differences in any accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in accordance with the accounting policies as stated in Accounting Standard (AS) 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

14.5 Procedure to deal with Balances as between Transferor Company and Transferee Company: To the extent that there are intercompany loans, deposits, balances as between the Transferor Company and Transferee Company or vice versa, the obligation in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets and liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loan, deposit or balances, with effect from the Appointed Date.

14.6 The amalgamation is in the nature of merger and shall be accounted in the books of Transferee Company as per the provisions of Accounting Standard-14 issued by the Institute of Chartered Accountants of India.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

15. DISSOLUTION OF TRANSFEROR COMPANY:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

16. EFFECTIVE DATE

The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferor and the Transferee Company with the Registrar of Companies, Kolkata.

16. APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING SCHEME:

16.1. Joint Application by Transferor Company and Transferee Company: Transferor Company and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Sections 230 to 232 and other applicable provisions of the said Act to the NCLT, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect;

16.2. It is hereby clarified that submissions of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

17. MODIFICATIONS TO THE SCHEME:

17.1. Scheme subject to Modifications: The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to;

17.2. Modifications and Amendments to Scheme: The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit approve or propose;

17.3. Withdrawal of Scheme: In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by Transferor Company or by Transferee Company, then Transferor Company and/or Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them;

18. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained.

18.1 The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the

Transferor Company and the Transferee Company, as may be directed by the Hon'ble National Company Law Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;

18.2 Sanction of NCLT, Kolkata Bench: The sanction of the National Company Law Tribunal, Kolkata Bench under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company

18.3 Approval of Reserve Bank of India: Prior written approval of Reserve Bank of India will be required to be taken by the Transferor Company. The Transferee Company is not required to take approval of Reserve Bank of India as there is no proposal for change in the shareholding pattern or paid up equity capital of the Transferee Company.

1. **Approval of SEBI and Stock Exchanges:** In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the abovesaid SEBI Notification/Circular.
2. Filing of certified copy of the order of the NCLT under clause 18.2 above with the Registrar of Companies, Kolkata, by the Transferor Company and the Transferee Company for registration;
3. Requisite sanction and/or approval of any Government or Regulatory authority as may be required under any law for the amalgamation;

19 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 18 above not being obtained, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, 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 as is specifically provided in the Scheme or may otherwise arise in law.

20 EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Company or Transferee Company, the non-performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision if any to the contrary under the Scheme.

21 COSTS AND EXPENSES:

All costs, charges and expenses of Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective companies.

22. RESIDUAL PROVISIONS:

On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this scheme.

The Scheme shall take effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

MAGMA FINCORP LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA FINCORP LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF MAGMA ITL FINANCE LIMITED WITH MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. Background:

- 1.1. The proposed Scheme of Amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferee Company at its meeting held on 9 November 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 9 November 2017 is required to be circulated along with notice convening meeting of the shareholders and/or creditors and/or debentureholders, as the case may be.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

By order of the Board
For **Magma Fincorp Limited**

Sd/-
Narayan K Seshadri
Chairman
DIN:00053563

Place: Mumbai
Date: 9 November, 2017

MAGMA ITL FINANCE LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA ITL FINANCE LIMITED ON THE SCHEME OF AMALGAMATION INTO MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

- 1.1. The proposed Scheme of Amalgamation among Magma ITL Finance Limited ("Transferor Company") into Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMP's), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 28 October 2017 is required to be circulated along with notice convening meeting of the shareholders and creditors.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferor Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (only class of shareholders) of the Transferor Company. The directors and KMPs of the Transferor Company will cease to be the directors and KMPs of the Transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the Transferee Company with effect from the effective date of the Scheme without having any adverse effect on them.

By order of the Board
For **Magma ITL Finance Limited**

Sd/-

Satya Brata Ganguly

Chairman appointed for the meeting

DIN:00012220

Place: Kolkata

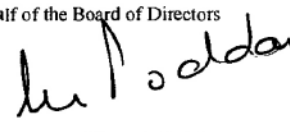
Date: 28 October, 2017

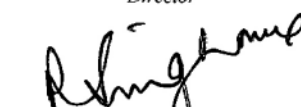
Interim Condensed Balance Sheet

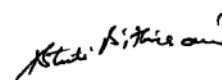
		(₹ in lacs)	
	Note No.	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,500.00	4,500.00
Reserves and surplus	4	8,922.76	8,651.52
		<u>13,422.76</u>	<u>13,151.52</u>
Non-current liabilities			
Long-term borrowings	5	15,852.94	19,135.29
Long-term provisions	6	4,753.96	2,281.96
		<u>20,606.90</u>	<u>21,417.25</u>
Current liabilities			
Short-term borrowings	7	13,270.52	22,413.80
Trade payables	8	-	-
- Due to micro and small enterprises		-	-
- Due to others		503.60	735.79
Other current liabilities	9	3,774.06	5,743.88
Short-term provisions	10	599.81	45.71
		<u>18,147.99</u>	<u>28,939.18</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>
ASSETS			
Non-current assets			
Property, Plant And Equipment	11	-	-
- Intangible assets		6.14	7.09
Non-current investments	12	175.17	316.50
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	-	-
- Assets on finance		29,133.49	37,799.81
- Others		613.60	610.29
Other non-current assets	15	190.72	1,235.51
		<u>30,119.12</u>	<u>39,969.20</u>
Current assets			
Current investments	16	310.26	411.38
Trade receivables	17	7.33	43.28
Cash and bank balances	18	5,127.65	4,320.79
Short-term loans and advances	19	-	-
- Assets on finance		15,745.95	17,607.55
- Others		685.22	926.67
Other current assets	20	182.12	229.08
		<u>22,058.53</u>	<u>23,538.75</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>
Accounting policies to interim condensed financial statements	2		
Notes to the interim condensed financial statements	3 - 29		
The accompanying notes are an integral part of the financial statements.			

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

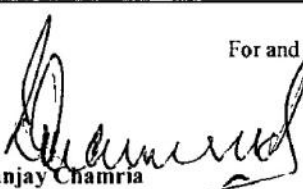
MAGMA ITL FINANCE LIMITED

Interim Condensed Statement of Profit and Loss

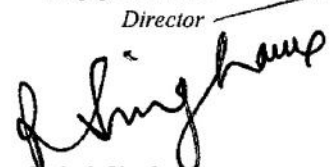
(₹ in lacs)

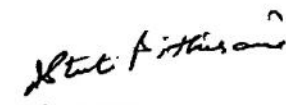
	Note No.	For the six months ended 30 September 2017 (Unaudited)
REVENUE		
Revenue from operations	21	4,613.83
Other income	22	109.98
Total revenue		4,723.81
EXPENSES		
Employee benefit expenses	23	573.04
Finance costs	24	2,257.97
Depreciation and amortisation expense	11	0.95
Provisions and bad debts written-off	25	629.74
Other expenses	26	240.87
Total expenses		3,702.57
Profit/ (Loss) before tax		1,021.24
Tax expenses		
Current tax - current year		750.00
Deferred tax		-
Profit/ (Loss) after tax		271.24
Earnings per equity share (nominal value of ₹ 10/- each)		
Basic and diluted (in ₹)	27	0.60
Accounting policies to interim condensed financial statements	2	
Notes to the interim condensed financial statements	3 - 29	
The accompanying notes are an integral part of the financial statements.		

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Interim Condensed Cash Flow Statement

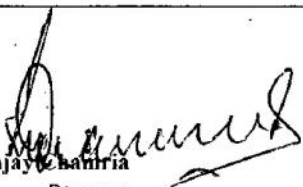
(₹ in lacs)

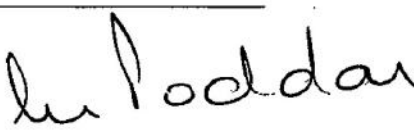
For the six months ended
30 September 2017

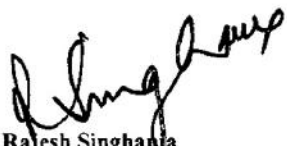
A. Net cash from Operating Activities	15,914.56
B. Net cash from Investing Activities	242.45
C. Net cash used in Financing Activities	(16,162.99)
Net decrease in cash & cash equivalents (A+B+C)	(5.98)
Cash and cash equivalents at the beginning of the period	14.55
Cash and cash equivalents as at the end of the period	8.57

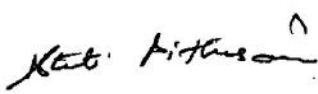
CASH & CASH EQUIVALENTS (Note 18)

Cash in hand	0.17
Balance with banks	
In current accounts	8.40
	8.57


Sanjay Chandra
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements

Note: 1

COMPANY OVERVIEW

Magma ITL Finance Limited ('the Company' or 'MITL') is a subsidiary company of Magma Fincorp Limited. The Company had received Certificate of Registration in March, 2008 from Reserve Bank of India and its commercial operation of financing (primarily tractor financing) commenced from July, 2008. MITL is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') with Reserve Bank of India. The Company is headquartered in Kolkata.

Note: 2

Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with Accounting Standard 25 (AS 25), Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim financial statements have been prepared for the purposes of the Draft Scheme of Amalgamation (as necessary) in connection with the proposed merger of the Company with Magma Fincorp Limited.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 3		
SHARE CAPITAL		
Authorised		
175,000,000 (2017: 175,000,000) equity shares of ₹ 10/- each	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, subscribed and fully paid-up		
45,000,000 (2017: 45,000,000) equity shares of ₹ 10/- each	4,500.00	4,500.00
	<u>4,500.00</u>	<u>4,500.00</u>

a) Reconciliation of the number of equity shares outstanding and the amount of share capital

	As at 30 September 2017 (Unaudited)		As at 31 March 2017 (Audited)	
Equity shares of ₹ 10 each, fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	45,000,000	4,500.00	45,000,000	4,500.00
Outstanding at the end of the year	<u>45,000,000</u>	<u>4,500.00</u>	<u>45,000,000</u>	<u>4,500.00</u>

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the annual general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to preference shareholders. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% of aggregate equity share capital of the Company

	As at 30 September 2017 (Unaudited)			As at 31 March 2017 (Audited)		
Name of the equity shareholder	No. of shares	Amount	% of holding	No. of shares	Amount	% of holding
Magma Fincorp Limited (Holding Company)	45,000,000	4,500.00	100%	33,299,400	3,329.94	74%
International Tractors Limited	-	-	-	11,700,000	1,170.00	26%

d) Shares issued for consideration other than cash:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 4		
RESERVES AND SURPLUS		
Capital reserve	22.24	22.24
Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	2,350.00	2,350.00
Add: Transfer from surplus in the statement of profit and loss	-	-
	<u>2,350.00</u>	<u>2,350.00</u>
Surplus (balance in the statement of profit and loss)		
Opening balance	6,279.28	9,248.51
Add: Profit/ (Loss) after tax	271.24	(2,969.23)
	<u>6,550.52</u>	<u>6,279.28</u>
Appropriations		
Transferred to statutory reserve	-	-
Net surplus in the statement of profit and loss	<u>6,550.52</u>	<u>6,279.28</u>
	<u>8,922.76</u>	<u>8,651.52</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 5		
LONG-TERM BORROWINGS		
Term loans		
Secured		
from banks	4,852.94	5,735.29
	<u>4,852.94</u>	<u>5,735.29</u>
Other loans		
Unsecured		
from related parties	11,000.00	13,400.00
	<u>11,000.00</u>	<u>13,400.00</u>
	<u>15,852.94</u>	<u>19,135.29</u>
Note - 6		
LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	45.07	45.07
Provision for compensated absences	25.27	28.80
Other provisions		
Provision for non-performing assets	4,583.62	2,088.09
Contingent provision against standard assets	100.00	120.00
	<u>4,753.96</u>	<u>2,281.96</u>
Note - 7		
SHORT-TERM BORROWINGS		
Loans from banks		
Secured		
Cash credit facilities	1,270.52	9,913.80
Working capital demand loans	12,000.00	12,500.00
	<u>13,270.52</u>	<u>22,413.80</u>
Note - 8		
TRADE PAYABLES		
Due to micro and small enterprises *	-	-
Due to others	503.60	735.79
	<u>503.60</u>	<u>735.79</u>

* The Company has no dues to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, as at 30 September 2017 and 31 March 2017. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 9

OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (Note 5)	2,566.27	4,169.46
Interest accrued but not due on borrowings	4.62	4.59
Other liabilities		
Advance from customers	375.51	444.88
Statutory liabilities	32.81	45.19
Pending remittance on assignment/ securitisation	692.06	932.77
Other payables	102.79	146.99
	3,774.06	5,743.88

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 10

SHORT-TERM PROVISIONS

Provision for employee benefits

Provision for gratuity	6.28	0.28
Provision for compensated absences	4.68	3.18

Other provisions

Provision for taxation (Net)	538.85	2.25
Contingent provision against standard assets	50.00	40.00
	599.81	45.71

Note - 11

PROPERTY, PLANT AND EQUIPMENT

Description of assets	Gross block			Depreciation and amortisation				Net block	
	As at 1 April 2017	Additions	Deletions	As at 30 Sep 2017	As at 1 April 2017	For the period	Deletions	As at 30 Sep 2017	As at 30 Sep 2017
Intangible assets									
Computer softwares acquired	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14
Total (Unaudited)	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
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Note - 12

NON-CURRENT INVESTMENTS

Other investments (at cost)

Investment in pass through certificates	175.17	316.50
	175.17	316.50

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 13		
DEFERRED TAX ASSETS (NET)		
Deferred tax assets*	121.42	195.04
Deferred tax liabilities		
Fixed assets	1.86	2.02
Unamortised expenses (net)	119.56	193.02
	121.42	195.04
Deferred tax assets (Net)	-	-

*Deferred tax assets have been recognised to the extent of deferred tax liabilities.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 14		
LONG-TERM LOANS AND ADVANCES		
Assets on finance (secured)*		
considered good	24,835.72	35,158.13
considered doubtful	4,297.77	2,641.68
	29,133.49	37,799.81
Others (unsecured, considered good)		
Loan to employees	0.88	2.83
Tax advance and deduction at source (Net)	612.72	607.46
	613.60	610.29
	29,747.09	38,410.10

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 15		
OTHER NON-CURRENT ASSETS		
Non-current bank balances (Note 18)	-	888.84
Unamortised borrowings costs	129.64	153.32
Unamortised loan origination costs (net)	61.08	193.35
	190.72	1,235.51

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 16		
CURRENT INVESTMENTS		
Other investments (at cost)		
In pass through certificates	310.26	411.38
	310.26	411.38

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they became due for payment	-	-
Other debts	7.33	43.28
	<u>7.33</u>	<u>43.28</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.17	0.17
Balances with banks in current accounts	8.40	14.38
	<u>8.57</u>	<u>14.55</u>
Other bank balances		
Deposits with original maturity of 3 months or less	461.94	-
Deposits with original maturity of more than 3 months to 12 months	2,800.30	1,735.00
Current maturities of deposits with original maturity of more than 12 months	1,856.84	2,571.24
	<u>5,119.08</u>	<u>4,306.24</u>
	<u>5,127.65</u>	<u>4,320.79</u>

(a) Fixed deposits aggregating ₹ 4,792.33 lacs (2017: ₹ 5,185.61 lacs) are marked as lien with banks / SPVs towards cash collateral for securitisation of receivables.

(b) Fixed deposits with more than 12 months maturity aggregating to ₹ Nil (2017: ₹ 888.84 lacs) included under 'Other Non-Current Assets' (Note 15).

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 19		
SHORT-TERM LOANS AND ADVANCES		
Assets on finance (secured, considered good)*	<u>15,745.95</u>	<u>17,607.55</u>
	<u>15,745.95</u>	<u>17,607.55</u>
Others (unsecured, considered good)		
Loans and advances to related parties	1.31	189.06
Loan to employees	38.39	41.74
Advances recoverable in cash or in kind or for value to be received	600.87	653.18
Prepaid expenses	19.61	30.76
Balances with statutory/ government authorities	25.04	11.93
	<u>685.22</u>	<u>926.67</u>
	<u>16,431.17</u>	<u>18,534.22</u>

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 20		
OTHER CURRENT ASSETS		
Unamortised borrowings costs	82.02	110.71
Unamortised loan origination costs (net)	72.72	100.34
Interest accrued but not due on fixed deposits	27.38	18.03
	<u>182.12</u>	<u>229.08</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017
(Unaudited)

Note-21

REVENUE FROM OPERATIONS

Interest/ finance income

On assets on finance	4,058.20
On loan assigned / securitised	210.37
On pass through certificates	17.82
On fixed deposits	175.14
On loans and margins	60.66
	<u>4,522.19</u>

Other financial income

Management fees	8.52
Support services	24.39
Others	58.73
	<u>91.64</u>
	<u>4,613.83</u>

For the six months ended
30 September 2017
(Unaudited)

Note-22

OTHER INCOME

Bad debt recovered	109.98
	<u>109.98</u>

For the six months ended
30 September 2017
(Unaudited)

Note-23

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	487.53
Contribution to provident and other funds	30.85
Staff welfare expenses	54.66
	<u>573.04</u>

For the six months ended
30 September 2017
(Unaudited)

Note-24

FINANCE COSTS

Interest expense

On term loans	477.32
On cash credit and working capital facilities from banks	777.90
On loan from bodies corporate and others	878.98

Other borrowing costs

	123.77
	<u>2,257.97</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017

(Unaudited)

Note-25

PROVISIONS AND BAD DEBTS WRITTEN-OFF

Bad debts and provision for non-performing assets (net)	639.74
Contingent provision against standard assets	(10.00)
	<u>629.74</u>

For the six months ended
30 September 2017

(Unaudited)

Note-26

OTHER EXPENSES

Outsourced manpower cost	51.56
Rent	2.05
Brokerage and commission	80.83
Rates and taxes	1.12
Advertisement and publicity	0.03
Travelling and conveyance	5.67
Professional fees	11.55
Legal expenses	76.38
Printing and stationery	0.61
Communication	1.04
Electricity charges	0.45
Office expenses	0.65
Corporate Social Responsibility Expenditure	2.13
Miscellaneous expenses	6.80
	<u>240.87</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

27 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For the six months ended 30 September 2017 (Unaudited)	Year ended 31 March 2017 (Audited)
	Basic and diluted			
1	Net profit as per statement of profit and loss	₹ Lacs	271.24	(2,969.23)
2	Weighted average number of Equity shares	No. of shares	45,000,000	45,000,000
3	Nominal value of Equity shares	₹	10.00	10.00
4	Earnings per share - Basic and diluted	₹	0.60	(6.60)

28 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
(A) Claims against the company not acknowledged as debt;		
(i) Income tax matters under dispute	0.19	0.19
(ii) Service tax matters under dispute	131.77	131.77
(B) Guarantees;		
(i) Unexpired bank guarantee	2,425.60	2,425.60

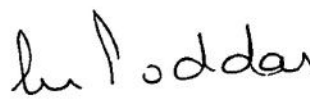
(b) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision required under any law/accounting standard/RBI regulation for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative transaction during the six months ended 30 September 2017 (2017: ₹ Nil).

29 Segment reporting

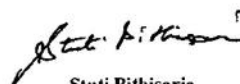
The Company is engaged in providing financial services to the customers in India. Considering the nature of risks and rewards of its services and its internal organisation and management structure, the Company has only one reportable business segment i.e. financial services and only one reportable geographical segment i.e. India.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singha
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report**To the Board of Directors
Magma Fincorp Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Magma Fincorp Limited ('the Company'), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute 'the Group') for the quarter ended 30 September 2017 and the year to date consolidated financial results for the period 1 April 2017 to 30 September 2017 (together known as 'the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We did not review the condensed interim financial statements of one joint venture and one step-down subsidiary included in the unaudited consolidated financial results whose condensed interim financial statements reflect total assets of Rs 263,603 lakhs as at 30 September 2017 as well as total revenue of Rs 5,721 lakhs for the quarter ended 30 September 2017 and Rs 11,363 lakhs for the period 1 April 2017 to 30 September 2017 as considered in the Statement of the Group. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management. Our report on the Statement of the Group, in so far as it related to the amounts and disclosures included in respect of these joint venture and step-down subsidiary, is based solely on the reports of the other auditors.
5. We did not review the condensed interim financial statements of two subsidiary and one joint venture included in the consolidated financial results, whose condensed interim financial statements reflect total assets of Rs 79,063 lakhs as at 30 September 2017 as well as total revenue of Rs 1,932 lakhs for the quarter ended 30 September 2017 and Rs 4,750 lakhs for the period 1 April 2017 to 30 September 2017. These condensed interim financial statements have been furnished to us by management and our report on the Statement of the Group, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, is based solely on such condensed interim financial statements certified by respective management. Our opinion is not modified in respect of the said matter.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

Review report (continued)
Magma Fincorp Limited

6. Based on our review conducted as mentioned in paragraphs 3 to 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership No:046882

Place: Mumbai

Date: 9 November 2017



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		(₹ in lacs)
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	Year Ended 31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	53,129.01	54,922.87	59,877.89	108,051.88	120,462.10	234,561.95
(b) Operating result from general insurance business	25.69	(23.17)	138.96	2.52	(71.73)	(114.48)
(c) Other income	1,816.75	1,924.58	1,585.29	3,741.33	2,753.55	5,497.69
Total revenue (net)	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. Expenses						
(a) Employee benefits expense	8,903.53	8,862.47	7,282.04	17,766.00	15,002.09	29,332.04
(b) Finance costs	22,805.45	24,022.44	29,019.77	46,827.89	59,637.81	112,544.47
(c) Depreciation and amortisation expense	1,169.62	1,285.25	1,171.42	2,454.87	2,252.81	4,850.13
(d) Provisions and bad debts written-off	7,485.61	9,144.66	9,508.20	16,630.27	18,286.50	60,685.95
(e) Brokerage and commission	2,416.58	2,286.19	2,735.04	4,702.77	5,585.50	11,178.34
(f) Other expenses	4,222.21	4,429.69	4,228.02	8,651.90	8,185.73	16,675.11
Total expenses	47,003.00	50,030.70	53,944.49	97,033.70	108,950.44	235,266.04
3. Profit from ordinary activities before tax (1-2)	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
4. Tax expense						
(a) Current tax	2,950.98	2,353.16	3,162.53	5,304.14	5,081.57	1,500.08
(b) Deferred tax	132.02	(66.81)	(563.90)	65.21	(704.37)	1,905.81
Total tax expense	3,083.00	2,286.35	2,598.63	5,369.35	4,377.20	3,405.89
5. Net Profit from ordinary activities after tax (3-4)	4,885.45	4,507.23	5,059.02	9,392.68	9,816.28	1,273.23
6. Minority interest	8.12	(8.12)	18.05	-	87.57	(772.04)
7. Net Profit after taxes and minority interest (5-6)	4,877.33	4,515.35	5,040.97	9,392.68	9,728.71	2,045.27
8. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
9. Reserves and surplus						212,474.18
10. Earnings per share (not annualised)						
(a) Basic (in ₹)	2.06	1.91	2.13	3.96	4.11	0.86
(b) Diluted (in ₹)	2.05	1.90	2.12	3.95	4.09	0.86

See accompanying notes to the financial results

Consolidated Segment Reporting for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		(₹ in lacs)
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	Year Ended 31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. REVENUE						
(a) Finance and mortgages	54,508.92	56,411.70	60,916.66	110,920.62	122,160.39	238,354.38
(b) General insurance	109.18	26.96	248.51	136.14	115.27	361.06
(c) Others	353.35	385.62	436.97	738.97	868.26	1,229.72
TOTAL REVENUE	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. RESULT - PROFIT BEFORE TAX						
(a) Finance and mortgages	7,715.58	6,592.97	7,242.05	14,308.55	13,742.21	4,106.74
(b) General insurance	107.66	25.50	248.51	133.16	115.27	294.76
(c) Others	145.21	175.11	167.09	320.32	336.00	277.62
TOTAL	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
3. ASSETS						
(a) Finance and mortgages	1,247,813.43	1,272,969.29	1,407,878.58	1,247,813.43	1,407,878.58	1,309,673.86
(b) General insurance	46,568.96	45,016.47	41,500.22	46,568.96	41,500.22	43,154.01
(c) Others	6,827.80	6,818.72	7,423.44	6,827.80	7,423.44	6,693.54
TOTAL	1,301,210.19	1,324,804.48	1,456,802.24	1,301,210.19	1,456,802.24	1,359,521.41
4. LIABILITIES						
(a) Finance and mortgages	1,039,134.52	1,063,231.18	1,194,061.71	1,039,134.52	1,194,061.71	1,104,197.80
(b) General insurance	37,185.65	35,722.87	32,389.08	37,185.65	32,389.08	33,879.61
(c) Others	541.15	674.15	1,093.18	541.15	1,093.18	811.04
TOTAL	1,076,861.32	1,099,628.20	1,227,543.97	1,076,861.32	1,227,543.97	1,138,888.45



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017.

Particulars	₹ in lacs	
	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	219,604.92	212,472.60
(c) Fair value change account	4.48	1.58
Sub-total - shareholders' funds	224,348.87	217,213.37
2. Minority interest	-	3,419.59
3. Non-current liabilities		
(a) Long-term borrowings	296,438.13	310,929.43
(b) Long-term provisions	29,534.22	22,587.50
Sub-total - non-current liabilities	325,972.35	333,516.93
4. Current liabilities		
(a) Short-term borrowings	528,360.32	548,022.99
(b) Trade payables	22,743.05	19,760.05
(c) Other current liabilities	189,098.68	228,684.75
(d) Short-term provisions	10,686.92	8,903.73
Sub-total - current liabilities	750,888.97	805,371.52
TOTAL - EQUITY AND LIABILITIES	1,301,210.19	1,359,521.41
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	27,194.33	28,525.93
(b) Non-current investments	51,033.32	47,292.90
(c) Deferred tax assets (net)	1,909.13	1,974.34
(d) Long-term loans and advances	754,191.43	792,267.87
(e) Other non-current assets	15,928.62	19,761.60
Sub-total - non-current assets	850,256.83	889,822.64
2. Current assets		
(a) Current investments	10,558.25	7,356.05
(b) Trade receivables	1,105.54	674.93
(c) Cash and bank balances	42,767.56	35,330.96
(d) Short-term loans and advances	385,349.72	413,976.24
(e) Other current assets	11,172.29	12,360.59
Sub-total - current assets	450,953.36	469,698.77
TOTAL - ASSETS	1,301,210.19	1,359,521.41

- 2] The unaudited consolidated financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the consolidated financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] In accordance with Regulation 33 of the Listing Regulations, the Company shall publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The consolidated financial results have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) and comprise of the financial results of Magma Fincorp Limited, its subsidiaries, Magma ITL Finance Limited ('MITL') and Magma Advisory Services Limited ('MASL'), its step down subsidiary, Magma Housing Finance Limited ('MHFL') (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) (subsidiary of MASL) and Joint Venture Companies, Magma HDI General Insurance Company Limited ('MHDI') and Jaguar Advisory Services Private Limited ('JASPL').
- 6] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 7] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.

19/12/17

[Signature]



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 8] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.
- 9] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 10] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively.
- 11] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 12] The Company has reported segment wise information as per Accounting Standard 17 (Segment Reporting) as prescribed under Section 133 of the Companies Act, 2013. As the operations of the Company are conducted through its subsidiaries and joint ventures within India, there is no separate reportable geographical segment.
- 13] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
1. Total income from operations	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Profit from ordinary activities before tax	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
3. Net Profit from ordinary activities after tax	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68

- 14] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary

By order of the Board
For Magma Fincorp Limited


Sanjay Chamria
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070
Registered Office : Magma House, 24 Park Street, Kolkata - 700 016
Website : www.magma.co.in; CIN : L51504WB1978PLC031813
Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report **To the Board of Directors** **Magma Fincorp Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Magma Fincorp Limited ('the Company') for the quarter ended 30 September 2017 and year to date results for the period 1 April 2017 to 30 September 2017 ('the Statement'). This Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Place: Mumbai
Date: 9 November 2017

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		(₹ in lacs)
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	Year Ended 31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	46,073.01	47,004.38	50,479.18	93,077.39	101,327.80	197,297.85
(b) Other income	1,828.80	1,866.22	1,386.31	3,695.02	2,400.52	4,906.65
Total revenue	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Expenses						
(a) Employee benefits expense	7,796.86	7,538.26	5,571.02	15,335.12	11,357.32	23,020.76
(b) Finance costs	19,401.64	20,314.77	24,046.64	39,716.41	49,699.15	93,788.05
(c) Depreciation and amortisation expense	1,163.21	1,278.88	1,165.85	2,442.09	2,242.37	4,828.66
(d) Provisions and bad debts written-off	7,810.27	7,735.90	8,777.26	15,546.17	16,436.06	54,232.49
(e) Brokerage and commission	2,319.52	2,163.13	2,598.61	4,482.65	5,293.20	10,606.68
(f) Other expenses	3,847.07	3,980.97	3,722.38	7,828.04	7,197.98	14,657.05
Total expenses	42,338.57	43,011.91	45,881.76	85,350.48	92,226.08	201,133.69
3. Profit from ordinary activities before tax (1-2)	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
4. Tax expense						
(a) Current tax	1,710.00	2,047.96	2,597.88	3,757.96	4,269.20	(330.07)
(b) Deferred tax	166.21	(96.62)	(517.83)	69.59	(682.05)	791.20
Total tax expense	1,876.21	1,951.34	2,080.05	3,827.55	3,587.15	461.13
5. Net Profit from ordinary activities after tax (3-4)	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68
6. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
7. Reserves and surplus						199,050.19
8. Earnings per share (not annualised)						
(a) Basic (in ₹)	1.56	1.65	1.65	3.20	3.34	0.26
(b) Diluted (in ₹)	1.55	1.65	1.64	3.20	3.33	0.26

See accompanying notes to the financial results

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MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017

Particulars	₹ in laes)	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	204,384.19	199,050.19
Sub-total - shareholders' funds	209,123.66	203,789.38
2. Non-current liabilities		
(a) Long-term borrowings	238,885.10	238,677.37
(b) Long-term provisions	22,720.64	18,534.81
Sub-total - non-current liabilities	261,605.74	257,212.18
3. Current liabilities		
(a) Short-term borrowings	481,449.06	487,335.75
(b) Trade payables	22,109.96	18,307.40
(c) Other current liabilities	123,377.78	171,123.45
(d) Short-term provisions	2,380.87	1,426.58
Sub-total - current liabilities	629,317.67	678,193.18
TOTAL - EQUITY AND LIABILITIES	1,100,047.07	1,139,194.74
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	20,317.20	21,643.99
(b) Non-current investments	57,494.57	53,284.47
(c) Deferred tax assets (net)	1,902.08	1,971.67
(d) Long-term loans and advances	598,105.93	624,483.61
(e) Other non-current assets	14,149.63	16,913.69
Sub-total - non-current assets	691,969.41	718,297.43
2. Current assets		
(a) Current investments	6,431.96	4,737.23
(b) Trade receivables	1,133.53	643.21
(c) Cash and bank balances	34,634.57	27,249.11
(d) Short-term loans and advances	358,915.88	380,302.82
(e) Other current assets	6,961.72	7,964.94
Sub-total - current assets	408,077.66	420,897.31
TOTAL - ASSETS	1,100,047.07	1,139,194.74

- 2] The unaudited standalone financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the standalone financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 5] During the quarter, the Company has acquired 26% equity shares of Magma IITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.
- 6] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL, with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL, shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 7] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 8] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively.
- 9] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 10] As per paragraph 4 of Accounting Standard 17 (Segment Reporting) prescribed under Section 133 of the Companies Act, 2013, segment reporting needs to be presented only on the basis of consolidated financial results. In view of this, segment information has been presented in the consolidated financial results.
- 11] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For **Magma Fincorp Limited**

Sanjay Chamria
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070
Registered Office : Magma House, 24 Park Street, Kolkata - 700 016
Website : www.magma.co.in; CIN : L51504WB1978PLC031813
Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, **Website:** www.magma.co.in

Tel.: +91 33-44017200/350; **Fax:** 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

MEETING OF THE UNSECURED CREDITORS OF MAGMA FINCORP LIMITED

ON 17 FEBRUARY 2018 AT 1 P.M.

ATTENDANCE SLIP

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Magma Fincorp Limited, convened pursuant to the Order dated 10 January 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench in C.A. (CAA) NO. 522/KB/2017, at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February 2018 at 1:00 P.M.

Serial No.	
Name	
Address	

Date:

Place:

Name of Proxy (in BLOCK LETTERS)

Signature of Unsecured Creditor/Proxy

Note:

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

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]

Name of the Unsecured Creditor(s) : _____

Address: _____

I/We, being the Unsecured Creditor(s), 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 act for me/us at the meeting of the Unsecured Creditors of Magma Fincorp Limited to be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February 2018 at 1:00 P.M. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said Scheme of Amalgamation, either with or without modification*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed thisday of2018

Signature of Unsecured Creditors (s).....

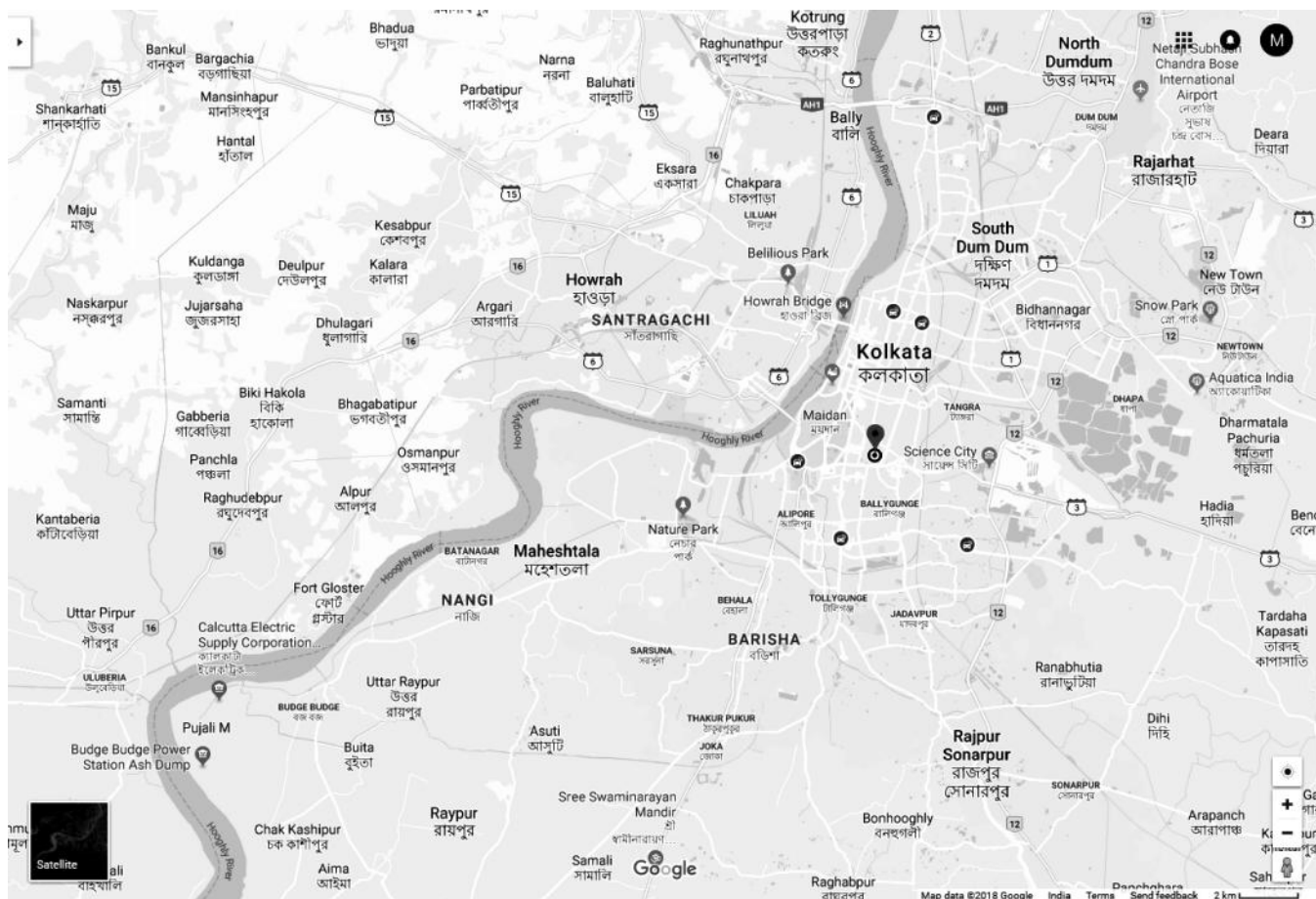
Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialled.

ROUTE MAP FOR THE NCLT CONVENED MEETING OF THE COMPANY SCHEDULED AT 17 FEBRUARY 2018.



VENUE :

Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

POSTAL BALLOT FORM

Serial No.	:
Name and Address of the Unsecured Creditor	:

I/We hereby exercise my/our vote in respect of the undernoted resolution as per the Notice dated 11 January 2018, pursuant to the Order of the National Company Law Tribunal, Kolkata Bench dated 10 January 2018, by sending my/our Assent (FOR) or Dissent (AGAINST) to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief Description	I /We Assent to the resolution (FOR)	I /We Dissent from the resolution (AGAINST)
1.	Approval of the Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme") pursuant to the Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013.		

Date:

Place:

Signature of the Unsecured Creditor**Note :** Please read the instructions printed overleaf carefully before exercising the vote.

INSTRUCTIONS FOR FILLING BALLOT FORM

1. Consent must be accorded by recording the assent in the Column "FOR" or dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate columns. Postal Ballot Form bearing (✓) mark in both the columns will render the form invalid.
2. The voting period will commence on and from Thursday 18 January 2018 at 9.00 A.M. (IST) and end on Friday, 16 February 2018 at 5.00 P.M. (IST).
3. A Unsecured Creditor desiring to exercise vote by postal ballot, shall send the duly completed form in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer not later than 5.00 P.M. on 16 February 2018. Postage on the Business Reply Envelope will be borne by the Applicant Company. However, envelopes containing Postal Ballot, if sent by Courier or by Registered Post or Speed Post, at the expense of the Unsecured Creditor will also be accepted. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the Unsecured Creditor has not been received.
4. In case the Unsecured Creditors are bodies corporate, the Postal Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate.
5. Incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected by the Scrutiniser.
6. The vote on postal ballot cannot be exercised through proxy.
7. The National Company Law Tribunal, Kolkata Bench, has appointed Mr. Anil Murarka, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; **Fax:** 033-44027731**NOTICE OF NCLT CONVENED MEETING OF THE DEBENTUREHOLDERS OF MAGMA FINCORP LIMITED**

(convened pursuant to the order dated 10 January, 2018
passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	:	Saturday
Date	:	17 February 2018
Time	:	2:00 P.M.
Venue	:	Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017

POSTAL BALLOT

Start Date and Time	:	Thursday, 18 January 2018, 9:00 A.M.
End Date and Time	:	Friday, 16 February 2018, 5:00 P.M.

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5.	ANNEXURE 3 Unaudited financial statements of Magma ITL Finance Limited for the half year ended 30th September, 2017.	31 - 42
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10.	Postal Ballot Form with instructions and Self- addressed postage prepaid Business Reply Envelope	Loose leaf

FORM NO. CAA.2

[Pursuant to Section 230(3) and rule 6 and 7]

**Before the National Company Law Tribunal, Bench at Kolkata
CA (CAA) No. 522/KB/2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

**MAGMA FINCORP LIMITED,
CIN:L51504WB1978PLC031813**

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016
.... Transferee Company/Applicant Company

NOTICE CONVENING THE MEETING OF THE DEBENTUREHOLDERS OF MAGMA FINCORP LIMITED

To,

The Debentureholder(s) of Magma Fincorp Limited ("MFL" or "Applicant Company" or "Transferee Company" or "Company")

Notice is hereby given that by an Order made on the 10th day of January 2018 in the above mentioned Company Application, The Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") has directed that a meeting to be held of the Debentureholders of the Magma Fincorp Limited at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, Saturday, 17 February, 2018 at 2:00 P.M. ("**NCLT Convened Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the proposed amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Debentureholders of the Transferee Company will be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February, 2018 at 2:00 P.M. at which time and place the Debentureholders of the Applicant Company are requested to attend and to consider and if thought fit, pass the following resolution, with or without modification(s):.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re- enactment thereof) to the extent notified and applicable; enabling provisions in the Memorandum and Articles of Association of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), and subject to the approval of any statutory/regulatory authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities while granting such consent, approvals and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee constituted/to be constituted by the Board), approval of the Debentureholders of the Company be and hereby accorded to the proposed Scheme of Amalgamation between Magma ITL Finance Limited and Magma Fincorp Limited and their respective shareholders in accordance with and on the terms and conditions as stated in the Scheme of Amalgamation, the copy of which is placed before the meeting and initialed by the Chairman for the purpose of identification and the salient terms of which have been stated in the Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions

and to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme of Amalgamation, to make or accept such alterations or changes or modifications in the Scheme of Amalgamation as may be advised by the regulatory authorities.”

TAKE FURTHER NOTICE that the Debentureholders entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Applicant Company at “Magma House”, 24, Park Street, Kolkata- 700016, not later than 48 hours before the scheduled time of the commencement of the said meeting. The form of proxy can be obtained free of cost from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

TAKE FURTHER NOTICE that in compliance of the provision of Section 230(4) read with Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administrations) Rules, 2014 and rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Applicant Company has provided the facility of voting by postal ballot to the Debentureholders to cast their votes on the resolution set forth in this Notice. Accordingly, you may cast your vote either through postal ballot or through ballot paper at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

The NCLT has appointed Mr. B L Sinha, Chartered Accountant, to be the Chairman of the said meeting including any adjournment thereof. The NCLT has appointed Mr. Anil Murarka, Practising Company Secretary, as Scrutinizer for conducting the postal ballot and voting through Ballot Paper at the venue of the meeting in a fair and transparent manner.

The Scheme, if approved in the aforesaid meeting, will be subject to the approval of the NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Place: Kolkata

Date: 11 January 2018

B L Sinha

Chairman appointed for the meeting

Registered Office:

MAGMA FINCORP LIMITED,

CIN:L51504WB1978PLC031813

“Magma House”, 24, Park Street, Kolkata- 700016, West Bengal.

Email: secretary@magma.co.in, Website: www.magma.co.in

Notes for NCLT Convened Meeting:

- 1) **A DEBENTUREHOLDER OF THE APPLICANT COMPANY ENTITLED TO ATTEND AND VOTE AT THE NCLT CONVENED MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A DEBENTUREHOLDER OF THE APPLICANT COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of Debentureholders not exceeding fifty and holding in the aggregate not more than ten percent of the total value of amount outstanding to Debentureholders of the Applicant Company. A Debentureholder holding more than ten percent of the total value of amount outstanding to Debentureholders may appoint a single person as proxy and such person shall not act as a proxy for any other Debentureholder.

- 2) Only a Debentureholders of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative of a body corporate under Sections 112 and 113 of the Companies Act, 2013) at the NCLT Convened Meeting. The Authorised Representative of a body corporate which is a Debentureholder of the Applicant Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board of Directors under section 113 of the Companies Act, 2013/ Power of Attorney/ Letter of Authority or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the NCLT Convened Meeting.
- 3) The voting period for postal ballot commences on Thursday, 18 January, 2018 (9.00 A.M.) IST and ends on Friday, 16 February 2018 (5.00 P.M.) IST.
- 4) The form of proxy can be obtained free of charge from the registered office of the Applicant Company or at the office of the Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8, Camac Street, Kolkata - 700 017.
- 5) All alterations made in the Proxy Form should be initialed.
- 6) A Debentureholder or his proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
- 7) In terms of the directions contained in the Order dated 10 January 2018, the quorum for the Meeting shall be 5 (five) Debenture Holders of the Applicant Company, present either in person or by proxy.
- 8) Explanatory Statement for the proposed Resolution pursuant to Sections 230(3), 232 and 102 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts forms part of this Notice. Also all the annexures as mentioned above in the index and attached to this notice forms part of the Notice.
- 9) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Debentureholders at the registered office of the Applicant Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
- 10) A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Debentureholders, voting through postal ballot form are requested to carefully read the instructions printed in the attached postal ballot form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage prepaid self-addressed envelope, so as to reach the Scrutinizer, not later than 5.00 P.M. on 16 February 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Debenture Holder.
- 11) The Notice, the Explanatory Statement together with the documents accompanying the same, are being sent to all the Debenture Holders either by registered post / speed post / courier service. The Notice along with copy of the Scheme and other documents may also be accessed on Company's website: www.magma.co.in
- 12) Kindly note that the Debenture Holders can opt for only one mode for voting i.e. either by postal ballot or voting at the venue of the meeting. Please further note that Debenture Holders who have voted through postal ballot may shall attend the Meeting, however, they shall not be allowed to vote at the Meeting.
- 13) In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the Notice have been approved at the Meeting by a majority of Debentureholders representing three fourth in value of such Debentureholders of the Applicant Company, voting in person or by proxy or through postal ballot.
- 14) The queries, if any, related to the Scheme should be sent to the Applicant Company in the name of Ms. Shabnum Zaman, Company Secretary at its registered office at least 7 (seven) days before the meeting.
- 15) Mr. Anil Murarka, Practicing Company Secretary has been appointed as the scrutinizer for scrutinizing the process of postal ballot and voting at the venue of the meeting in a fair and transparent manner. The scrutinizer shall submit a consolidated scrutinizer's Report

of the total vote cast in favour of or against, if any, not later than 48 hours after the conclusion of the meeting to the Chairman of the meeting or any other person authorised by the Chairman of the Meeting. Thereafter, the Results of the postal ballot and voting at the venue of the meeting shall be declared by the Chairman of the Meeting or the person authorised by the Chairman. The Result declared along with the Scrutinizer Report shall be placed on the website of the Applicant Company www.magma.co.in. and also be displayed on the Notice Board of the Applicant company at the Registered Office and simultaneously communicated to the Stock Exchanges where the shares of the Transferee Company are listed.

- 16) The Route map showing direction to reach the venue is annexed.

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

Explanatory Statement under Sections 230(3), 232 and Section 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. In this statement Magma ITL Finance Limited is referred to as the "Transferor Company" or "MITL" and Magma Fincorp Limited as the "Transferee Company" or "MFL" and collectively, they are referred to as the "Applicant Companies". The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders (herein after referred to as the "Scheme" or "Scheme of Amalgamation") will also apply to this statement under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement").
2. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof). The Transferor Company is a wholly owned subsidiary of the Transferee Company. Though the proposed Scheme of Amalgamation is between a holding Company and its wholly owned subsidiary, the Applicants have decided to use the provisions of Section 232 of the Companies Act, 2013 for the approval of the Scheme of Amalgamation as provided in Section 233 (14) of the Companies Act, 2013. The same have been decided to do so in view of the Transferee Company being a listed Company and having large number of Shareholders and creditors, thereby involving large public interest.
3. Pursuant to an Order dated 10 January, 2018 passed by the National Company Law Tribunal, Bench at Kolkata ("NCLT") in CA(CAA) NO. 522/KB/2017 referred to hereinabove, meeting of Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies are being convened and held for the purposes of considering and, if thought fit, approving the amalgamation embodied in the Scheme between the Transferor Company and the Transferee Company and their respective shareholders. The meeting of the Equity Shareholders of the Transferor Company has been dispensed with by the order of NCLT. The details of the NCLT direction regarding calling, convening and conducting of the meetings are as follows:

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Equity Shareholders of Magma Fincorp Limited	Date: 17 February 2018 Time: 11:00 A.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Secured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 12:00 Noon Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma Fincorp Limited	Date: 17 February 2018 Time: 1:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Debenture Holders of Magma Fincorp Limited	Date: 17 February 2018 Time: 2:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

Name of the Company & Class of meeting	Date, Time and Venue of the meeting
Secured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 3:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017
Unsecured Creditors of Magma ITL Finance Limited	Date: 17 February 2018 Time: 4:00 P.M. Venue: Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata- 700017

4. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Equity Shareholders and Debenture Holders of the Transferee Company and the Secured Creditors and Unsecured Creditors of each of the Applicant Companies, voting in person or by proxy or by postal ballot or remote e-voting, as applicable, agree to the Scheme.
5. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, approved by Board of Directors of the Applicant Companies at their respective meetings held on 28 October 2017 of MITL and 9 November 2017 of MFL is attached to this Explanatory Statement and forms part of this statement. A copy of the Scheme has also been filed with the Registrar of Companies, West Bengal.

6. **Background of the Companies:**

I. Magma Fincorp Limited

- a. Magma Fincorp Limited is a listed public limited Company which was originally incorporated on 18th December, 1978 as a private limited Company in the name and style of "ARM GROUP ENTERPRISES PRIVATE LIMITED" under the Companies Act, 1956. Subsequently on 30th of October, 1980, the Company was converted to a Public Limited Company and the name was changed to "ARM GROUP ENTERPRISES LIMITED". Thereafter on the 24th of August, 1993, the name of the Company was changed to "MAGMA LEASING LIMITED" and again on the 19th June, 2007, the name of the Company was changed to "MAGMA SHRACHI FINANCE LIMITED". Thereafter again on 1st July, 2008, the name of the Company was finally changed to "MAGMA FINCORP LIMITED". Since then the Company is carrying out business in the name of "MAGMA FINCORP LIMITED" with CIN: L51504WB1978PLC031813, PAN: AABCM9445K 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 email address of the Transferee Company is secretary@magma.co.in.
- b. There has been no change in the registered office of the Transferee Company since the last 5 (Five) years.
- c. There has been no change in the name of the Transferee Company since the last 5 (Five) years.
- d. The following are the details of the promoters of the Transferee Company:

Sl No.	Name of the Promoter	Address
1.	Celica Developers Private Limited	24, Park Street, Kolkata-700016
2.	Microfirm Capital Private Limited	24, Park Street, Kolkata-700016
3.	Columbine Decorative & Marketing Private Limited	24, Park Street, Kolkata-700016
4.	Ashita Poddar	24, Park Street, Kolkata-700016
5.	Kalpana Poddar	24, Park Street, Kolkata-700016
6.	Mansi Poddar	24, Park Street, Kolkata-700016
7.	Shaili Poddar	24, Park Street, Kolkata-700016

- e. The shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- f. As on 30th September, 2017 an amount of Rs. 6,04,132.36 lakhs and Rs. 1,20,049.27 lakhs was due to Secured and Unsecured Creditors respectively of the Transferee Company. The Transferee Company shall repay the Secured and Unsecured Creditors in normal course of business. The Transferee Company also has outstanding debentures of Rs. 1,18,710 lakhs as on 30th September, 2017.

- g. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 30th September, 2017 is as under:

Particulars	Amount (Rs)
Authorized share capital	
26,50,00,000 Equity shares of Rs. 2 each	53,00,00,000
543,00,000 Preference Shares of Rs.100 each	543,00,00,000
Total	596,00,00,000
Issued, subscribed and paid-up share capital	
23,69,73,672 Equity shares of Rs.2 each	47,39,47,344
Total	47,39,47,344

- h. The main objects of the Transferee Company as set out in its Memorandum of Association is as under:
- 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.

There has been no change in the object clause of the Transferee Company since the last 5(Five) years.

- i. The Transferee Company is primarily engaged in the business of Assets Financing.

II. Magma ITL Finance Limited

- a. Magma ITL Finance Limited is a public limited Company, incorporated on 1st November, 2007 under the Companies Act, 1956 with CIN: U65910WB2007PLC120137, PAN: AAFCM2742R 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 email address of the Transferor Company is stuti.pithisaria@magma.co.in
- b. There has been no change in the registered office of the Transferor Company since last 5 (Five) years.
- c. There has been no change in the name of the Transferor Company since the last 5 (Five) years.
- d. The shares of the Transferor Company are not listed. The Transferor Company is wholly owned subsidiary of the Transferee Company.
- e. The following are the details of the promoters of the Transferor Company:

Sl. No.	Name of promoter	Address
1.	Magma Fincorp Limited	"Magma House", 24, Park Street, Kolkata- 700016

- f. As on 30th September, 2017 a total of Rs. 20,694.35 lakhs and Rs. 12,025.01 lakhs was due to Secured and Unsecured Creditors respectively of the Transferor Company.
- g. The authorized, issued, subscribed and paid-up share capital of Transferor Company, as on 30th September, 2017 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
17,50,00,000 equity shares of Rs. 10 each	175,00,00,000
Total	175,00,00,000
Issued, subscribed and paid-up share capital	
4,50,00,000 equity shares of Rs. 10 each	45,00,00,000
Total	45,00,00,000

- h. The main objects of the Transferor Company as set out in its Memorandum of Association is as under:
- a. To carry on and undertake business as financiers to finance operations of tractors whether by managing, purchasing, selling, hiring, letting on hire, and dealing in all kinds of property, movable or immovable, goods, chattels, motor-cars, motor-buses, motor-lorries, lands, bullion, stocks, shares, Government Bonds, and marketing and distribution of all kinds of financial products, including extending various types of retail loans and products as well as market various financial products and offering and/or marketing of insurance products, to various potential customers in the agricultural sector.
 - b. 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.
 - c. To act as investors, guarantors, underwriters, financiers and, to lend 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 take 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 the business of equipment leasing, hiring, hire-purchase, asset based finance of all kinds including 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
 - e. 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 counselors 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.
 - f. To give advice on or to offer, give, take, circulate and/or otherwise organise, accept, or implement any takeover bids, mergers, 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 acquisition of shares or assets and liabilities, and whether as a going concern or as a part of concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation, formation or setting up of concerns and undertaking whether as Company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
 - g. To carry on the business of arranging, organizing, executing all kind of financial activities and services such as bill discounting, factoring, loan syndication to purchase book debts and receivables for companies and lend and give credit against the same, project financing, turnkey projects, undertake venture capital funding, promoters funding, funding of securities of all types, industrial financing and commercial financing, money management, corporate takeovers, financing against securities, trade finance, consumer finance and inter corporate loan and deposits, issue of guarantee or indemnity bonds in India and Abroad and act as general financiers.
 - h. To act as financial consultants and provide advisory services in various fields like finance management, investments,

projects, capital market portfolio, corporate matters, accountancy, business commercial, administrative, secretarial, public relations, scientific, technical, statistical, economic, industrial, insurance valuer, legal including taxation laws, data processing and quality control.

- i. To carry on business of financing by advancing money with or without securities upon such terms and conditions as the Company may think fit to any individual, firm, Company or any other enterprises, provided that the Company shall not carry on Banking business as defined in the Banking Regulations Act, 1949 or any statutory modification thereof.
- j. 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.

There has been no change in the object clause of the Transferor Company in the last 5(Five) years.

- i. The Transferor Company is primarily engaged in the business of Tractor Financing.

7. Rationale and Benefits of the Scheme

The rationale for the Scheme are briefly stated below:

- 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. 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.
- v. 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.
- vi. 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.
- vii. 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.

8. Salient features of the Scheme are set out as below:

- a) The Scheme envisages the Amalgamation of Magma ITL Finance Limited, as a "going concern" with Magma Fincorp Limited pursuant to Sections 230 to 232 read with Section 233 and other applicable provisions, if any of the Companies Act, 2013.
- b) The Transferor Company is a wholly owned subsidiary of the Transferee Company. Since the entire share capital of the Transferor Company is held by the Transferee Company and its nominees, there shall be no issue of shares by the Transferee Company in respect of its holding in the Transferor Company pursuant to the amalgamation under this Scheme. Upon the Scheme becoming effective, the entire paid up share capital of the Transferor Company, shall be cancelled and extinguished.
- c) The Appointed Date for the purpose of the Scheme and for Income Tax Act, 1961 shall be 1st October, 2017 and the Effective Date means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company.
- d) The Scheme shall be effective subject to the receipt of sanctions, approvals and consents as laid down therein.
- e) Some of the important clauses of the Scheme are reproduced herein below:
 - (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the Appointed

Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.

- (b) Without prejudice to the provisions of 3.2.1 (a) of the Scheme, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) of the Scheme, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- (f) On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- (g) With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HEREWITH) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.

9. Relationship subsisting between the Companies who are Parties to the Scheme:

The Transferor Company is wholly owned subsidiary of the Transferee Company.

10. Board Meeting

Transferee Company:

The Scheme was approved by the Board of Directors of the Transferee Company at its meeting held on 9th November, 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferee Company who were present at the meeting, i.e. Mr. Narayan K Seshadri, Mr. Mayank Poddar, Mr. Sanjay Chamria, Mr. Nabankur Gupta, Mr. Satya Brata Ganguly, Mr. V K Viswanathan and Ms. Madhumita Dutta-Sen voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferee Company who attended and voted at the meeting.

Transferor Company:

The Scheme was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017 based on the recommendations of the Audit Committee of the Board of Directors. The Directors of the Transferor Company who were present at the meeting, i.e. Mr. Mayank Poddar, Mr. Satya Brata Ganguly and Mr. Sumit Binani voted in favour of the resolution and the Scheme was approved unanimously by all directors of the Transferor Company who attended and voted at the meeting.

11. Effect of the Scheme

i. Key Managerial Personnel

The Scheme does not affect the Key Managerial Personnel of the Transferee Company. The Key Managerial Personnel of the Transferor Company shall be transferred to and be engaged by the Transferee Company, without any interruption of services and on such terms and conditions as are no less favourable than the Transferee Company and without any interruption of service as a result of the amalgamation. Notwithstanding the aforementioned, the Key Managerial Personnel of the Transferor Company may not be appointed as the Key Managerial Personnel of the Transferee Company.

ii. Directors

The Scheme does not affect the Directors of the Transferee Company except for their limited interests as Directors of Transferor Company. The Directors of the Transferee Company shall continue to hold their position as Director on the Board of the Transferee Company. The Directors of the Transferor Company shall cease to be Directors of the Transferor Company, consequent to dissolution of the Transferor Company upon the Scheme becoming effective.

iii. Promoters and Non-Promoters

The Transferor Company is wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominee and the same shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to Transferor Company. Further, Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

iv. Depositors and Deposit Trustee:

There are no depositors and Deposit Trustee in the Transferee Company or the Transferor Company.

v. Creditors and Debentureholders and Debenture Trustee :

The rights and interests of Secured Creditors and Unsecured Creditors including the Debenture Holders and Debenture Trustee of the Transferee Company or the secured and unsecured Creditors of the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner post the Scheme.

vi. Employees: Upon the coming into effect of this Scheme:

The rights and interests of the employees of the Transferor Company will not be prejudicially affected by the Scheme as such employees will become employees of Transferee Company at the agreed terms and conditions without any break or interruption in service.

12. Disclosure about effect of compromise or amalgamation on material interests of directors, Key Managerial Personnel and debenture trustee:

The Scheme of Amalgamation has no impact on the material interests of directors and Key Managerial Personnel of the Applicant Companies and Debenture Trustees of the Transferee Company.

13. A report adopted by the directors of the Applicant Companies explaining effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any is attached herewith as 'Annexure 2'.

14. Approvals

- i. Both the Transferor Company and Transferee Company are Non-Banking Financial Companies. The Transferor Company is required to obtain prior approval of Reserve Bank of India (RBI) and accordingly an application was made to RBI. RBI vide its letter dated 17th November 2017 conveyed its "No Objection" to the proposed amalgamation of Transferor Company with the Transferee Company.
- ii. In terms of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and circular bearing No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, issued by SEBI ("SEBI Circular"), draft Scheme of Amalgamation of wholly owned subsidiaries with their parent Company shall be filed with the Stock Exchange for the purpose of disclosure only and no prior written approval of the Stock Exchanges shall be required. The Transferee Company has filed the draft Scheme of Amalgamation in terms of the aforesaid SEBI Circular to the Stock Exchanges on 21st November, 2017.

15. Valuation Report:

The Transferor Company is a wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to the shareholders of Transferor Company. Hence, there is no need for valuation of the shares of the Applicant Company.

16. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferee Company and their respective shareholdings in Transferee and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
	Directors			
1.	Mr. Narayan K Seshadri, Non-Executive Independent Chairman (DIN: 00053563)	Skylark Co-operative Housing Society Ltd. Little Gibbs Road, Malabar Hill Mumbai 400 006	NIL	NIL
2.	Mr. Mayank Poddar, Chairman Emeritus & Whole Time Director (DIN: 00009409)	24, Park Street, Kolkata – 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Mr. Sanjay Chamria, Vice Chairman & Managing Director (DIN: 00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
4.	Mr. Nabankur Gupta, Non-Executive Independent Director (DIN: 00020125)	11 Jayshree, 75 Worli Seaface, Mumbai - 400 025	5000	NIL
5.	Mr. Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata 700027	NIL	NIL
6.	Mr. V K Viswanathan, Non-Executive Independent Director (DIN: 01782934)	Legacy Caldera, #56, SRT Road, Cunningham, Cross Road, Bangalore – 560 052	1432	NIL

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
7.	Mr. Sanjay Nayar, Non-Executive Director (DIN: 00002615)	The Rushilla Co-op housing Society Limited, 17/C Carmichael Road, Mumbai – 400 026	NIL	NIL
8.	Ms. Madhumita Dutta-Sen, Non-Executive Director (DIN:07885010)	4429, Fessenden St NW, Washington, DC 20016, United States of America	NIL	NIL
Key Managerial Personnel				
9.	Mr. Kailash Baheti, Chief Financial Officer	26, Prince Anwar Shah Road, Kolkata- 700033	20000	NIL
10.	Ms. Shabnum Zaman, Company Secretary	80 B, Dr. Sudhir Bose Road, Kolkata-700023	NIL	NIL

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, none of the Directors and Key Managerial Personnel of the Transferee Company hold any shares in the Transferor Company.

17. The details of the present Directors and Key Managerial Personnel (KMP) of the Transferor Company and their respective shareholdings in the Transferee Company and Transferor Company are as follows:

Sl. No	Name of the Director / KMP	Address	Shareholding in the Transferee Company	Shareholding in the Transferor Company
Directors				
1.	Sanjay Chamria, Non-Executive Chairman (DIN:00009894)	22/1, Belvedere Road, Alipore, Kolkata-700 027	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
2.	Mayank Poddar, Non-Executive Director (DIN:00009409)	24, Park Street, Kolkata - 700 016.	NIL	100 shares (Beneficial interest of this share lies with Magma Fincorp Limited)
3.	Satya Brata Ganguly, Non-Executive Independent Director (DIN: 00012220)	16B Minto Park, 13 D L Khan Road, Kolkata - 700027	NIL	NIL
4.	Sumit Binani, Non-Executive Independent Director (DIN: 01113411)	Sun-City Complex, 105/1, Bidhannagar Road, Kolkata- 700 067	NIL	NIL
Key Managerial Personnel				
5.	Rajesh Singhanian, Chief Financial Officer	VIP Enclave, VIP Road, Baguiati, Kolkata-700059	200	NIL
6.	Stuti Pithisaria, Company Secretary	New Alipore Residency, 45A Buroshibtalla Main Road, New Alipore-700 038	NIL	NIL

The Transferor Company is a wholly owned subsidiary of the Transferee Company. For the purpose of maintaining minimum number of members, the Transferor Company has 7 shareholders. However, all the other shareholders are only nominee of the Transferee Company. Further, none of the Directors of the Transferor Company hold any shares in the Transferee Company.

18. The Directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.
19. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares will be issued by the Transferee Company. There will be no change in the paid up capital and shareholding pattern of the Transferee Company post amalgamation.
20. Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act 2013, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on

the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.

21. No investigation proceedings have been instituted or are pending under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. No winding up petitions have been admitted or filed against Applicant Company.
22. This statement may be treated as an Explanatory Statement under Section 232 of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 in respect of meeting of the Debentureholders of the Applicant Company.
23. On the Scheme being approved by the requisite majority of Equity Shareholders and Debenture Holders of the Transferee Company and Secured Creditors and Unsecured Creditors of each of the Applicant Companies, the Applicant Companies shall file a joint petition with the National Company Law Tribunal at Kolkata for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.
24. The Scheme is not prejudicial to the interest of the members of the Applicant Companies.
25. The following documents will be open for inspection by the members of the Applicant Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 12.00 Noon upto Saturday, 17 February 2018 at its registered office;
 - a. Papers and proceedings in CA (CAA) No. 522/KB/2017 including Certified Copy of the Order of the National Company Law Tribunal at Kolkata in the said Company Application directing the convening and holding of the meeting of the Equity Shareholders and Debenture Holders of the Transferee Company and meetings of the Secured Creditors and Unsecured Creditors of each of the Applicant Companies;
 - b. Scheme of Amalgamation;
 - c. Memorandum and Articles of Association of Transferor Company and Transferee Company;
 - d. Annual Report of Transferor Company and Transferee Company for the financial year ended 31st March, 2017;
 - e. 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.
 - f. Copy of Register of Director's Shareholdings of Applicant Companies.
26. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Magma House, 24 Park Street, Kolkata-700 016 or at the office of its Authorised Representatives, M/s. MKB & Associates, Room No. 511, Shantiniketan, 5th Floor, 8 Camac Street, Kolkata – 700 017.

Place: Kolkata

Date: 11 January, 2018

Registered Office:
Magma Fincorp Limited
CIN:L51504WB1978PLC031813
"Magma House", 24, Park Street, Kolkata- 700016, West Bengal.
Email: secretary@magma.co.in, Website: www.magma.co.in

B. L. Sinha

Chairman appointed for the meeting

SCHEME OF AMALGAMATION

UNDER SECTION 230 to 232

OF

THE COMPANIES ACT, 2013

OF

MAGMA ITL FINANCE LIMITED

- Transferor Company

WITH

MAGMA FINCORP LIMITED

- Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. DESCRIPTION OF THE COMPANIES AND THEIR BACKGROUND

1. **MAGMA ITL FINANCE LIMITED (“MITL” or the “Transferor Company”)** having Corporate Identity number U65910WB2007PLC120137 is a company incorporated on 1st November, 2007, under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal. It is a wholly owned subsidiary of Magma Fincorp Limited, the Transferee Company. The Company is registered with the Reserve Bank of India as non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
2. **MAGMA FINCORP LIMITED (“MFL” or “Transferee Company”)** having Corporate Identity Number L51504WB1978PLC031813 is a company incorporated on 18th December, 1978 under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata - 700 016, West Bengal. The Company is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934.
3. The equity shares of the Transferee Company are listed with both BSE Ltd and National Stock Exchange of India Limited.
4. The Transferor Company is a wholly-owned subsidiary of the Transferee Company. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

B. RATIONALE FOR THE SCHEME

The amalgamation of MITL with the Transferee Company (MFL) would, inter alia, have the following benefits:

- 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. 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.

- v. 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.
- vi. 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.
- vii. 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.

C. Parts of the Scheme

This Scheme of Amalgamation is divided into the following parts:

1. Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
2. Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
3. Part III deals with the cancellation of share capital of the Transferor Company.
4. Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company;
5. Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of MITL (the Transferor Company) with MFL (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.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless the context otherwise requires, the following expression shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013, including any statutory modifications, re-enactments or amendments for the time being in force;
- 1.2. **"Appointed Date"** means 1st October 2017;
- 1.3. **"Assets"** in relation to Transferor Company means Fixed Assets, Loans and Advances, Investments, Current Assets, Loan and Advances, debit balance in Profit and Loss account and any other Assets as per the books of the Transferor Company as at 30th September, 2017;
- 1.4. **"Board of Directors" or "Board"** means the board of directors of MFL or MITL, as the case may be, and shall include a duly constituted committee thereof
- 1.5. **"BSE"** means BSE Limited;
- 1.6. **"Effective Date"** means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with Registrar of Companies, Kolkata. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.7. **"Liabilities"** in relation to the Transferor Company means Loan Funds, Current Liabilities, Reserves and Surpluses (including balance in Profit and Loss Account) provisions and all other liabilities of the Transferor Company as per the books of the Transferor Company as at 30th September, 2017;
- 1.8. **"MITL"** means MAGMA ITL FINANCE LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.9. **"MFL"** means MAGMA FINCORP LIMITED, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at Magma House, 24, Park Street, Kolkata – 700 016, West Bengal.
- 1.10. **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal under the Companies Act, 2013
- 1.11. **"NSE"** means National Stock Exchange of India Limited.

1.12. “Stock Exchange” means BSE and NSE.

1.13. “Scheme” means the Scheme of Amalgamation in the present form submitted to the NCLT, Kolkata Bench for sanction or with any modification(s) approved or imposed or directed by the Tribunal;

1.14. “Transferor Company” means “MITL.”

1.15. “Transferee Company” means “MFL.”

1.16. “Undertaking of Transferor Company” shall mean and include the following:

- (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, concessions, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages, of whatsoever nature and wherever situated of every description belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by Transferor Company as on the Appointed Date, and
- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to Transferor Company standing in the books of Transferor Company as on the Appointed Date as provided herein.
- (c) all records, files, papers, designs, and process information, computer programmes, manuals, data, sales and advertising materials and other records, whether in physical form or electronic form of the Transferor Company;
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Government Authority under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- (e) Without prejudice to the generality of the foregoing mentioned hereinabove, the term “Undertaking of Transferor Company” shall include the entire business which is being carried out under the name and style of Transferor Company and shall include the advantages of whatsoever nature, agreements, contracts, entitlements, permits, permissions, registrations, allotments, approvals, arrangements, authorizations, benefits, , concessions, rights and assets, Domains, intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota rights, registration, reserves, waivers, acknowledgments and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, and all benefits including subsidies, grants, incentives, tax credits, tax deferrals, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, brands, goodwill, all other utilities held by Transferor Company or to which Transferor Company are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

2. SHARE CAPITAL:

2.2.1. MITL is a Public Limited Company. It is a wholly-owned subsidiary of MFL. The details of Capital of MITL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorized Capital:	
17,50,00,000 equity shares of Rs. 10/- each	17,500.00
Issued, Subscribed and Paid-up Capital:	
4,50,00,000 equity shares of Rs. 10/- each	4,500.00

2.2.2. MFL is a Public Limited Company listed on BSE and NSE. The details of Capital of MFL as on appointed date are as follows:

PARTICULARS	(Rs. in Lacs)
Authorised Capital	
26,50,00,000 Equity shares of Rs 2/- each	5,300.00
5,43,00,000 Preference shares of Rs. 100/- each	54,300.00
Total	59,600.00
Issued, Subscribed and Paid-Up Capital	
23,69,73,672 Equity shares of Rs. 2/- each fully paid up	4,739.47
Total	4739.47

2.2.3. Subsequent to above, there is no change in the Capital Structure of Transferee or Transferor Company.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

3. TRANSFER OF "UNDERTAKING" OF TRANSFEROR COMPANY:

3.1. Generally: Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions of Section 230 and 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

3.2. Transfer of assets:

3.2.1. Without prejudice to the generality of Clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the appointed date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company.
- (b) Without prejudice to the provisions of 3.2.1 (a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in clause 3.2.1 (b) above, assets including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, Tax Deducted at Source (TDS), Minimum Alternate Tax credit, Goods and Service Tax (GST) inputs, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits including Advance Tax, TDS, Minimum Alternate Tax credit, GST inputs,, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.3. Transfer of Liabilities:

3.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) if any of the Transferor Company of every kind, nature and description

whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.3.2.** All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 3.3.3.** Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.4.** All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.3.5.** Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.6.** 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.

3.4. Encumbrances:

- 3.4.1.** The transfer and vesting of the assets comprised in the undertaking to and in the Transferee Company under clause 3.1 and 3.2 of this scheme shall be subject to the mortgages and charged, if any, affecting the same, as and to the extent hereinafter provided.
- 3.4.2.** All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), 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 Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances 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 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.
- 3.4.3.** 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 Effective 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.

- 3.4.4.** Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 3.4.5.** It is expressly provided that, 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.
- 3.4.6.** The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.
- 3.4.7.** Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.

4. INTER - SE TRANSACTIONS

Without prejudice to the provisions contained in this Scheme, 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.

5. CONTRACTS, DEEDS, ETC.:

- 4.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 4.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- 5. LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings, if any by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

- 6. TRANSFER OF PROFITS AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure, if any (including payment of penalty, damages or such litigation) arising or incurred by the Undertaking of Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of Transferee Company;

7. CONDUCT OF BUSINESS:

8.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- (c) All taxes (including income tax, GST, service tax, Value Added Tax (VAT), etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, GST, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (d) On the Scheme becoming effective, the Transferee Company shall be entitled to file/ revise its income tax returns, TDS Returns and other statutory returns, if required and shall have the right to claim refunds, depreciation benefits etc., if any, as also the income returns filed by the Transferor Company so far as is necessitated on account of the Scheme becoming effective from 1st October, 2017, being the Appointed Date under the Scheme.
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

8.2. **No changes in the terms and conditions of the employment of Transferor Company Employees:** From the date of acceptance of the Scheme by the respective Boards of Transferor Company and Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

8.3. **Enforcement of Legal Proceedings:** All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of Transferor Company or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against Transferor Company as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against Transferor Company if this Scheme had not been made. Transferee Company shall take steps to have the abovementioned proceedings continued in its name;

8.4. **Enforcement of Contracts:** Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Undertaking of Transferor Company and to which Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favor of Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of Transferor Company, Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between Transferee Company and other parties thereto. Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

8.5. **Rights of Shareholders:** The holders of shares of Transferor Company and Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

8.6. **Place of Vesting:** The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Sections 230 to 232 of the said Act, take place at the registered office of Transferee Company.

9. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

- a. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of The Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of The Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- b. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise their respective tax returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws, and other tax laws, and to claim refunds and/or credit for taxes paid/ (including Advance Tax, minimum alternate tax, tax deducted at source, wealth tax, GST inputs etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- c. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company, at the cost of Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.
- d. Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, applicable state value added tax laws, GST laws and other applicable laws and regulations dealing with taxes, duties, levies due to Transferor Company consequent to the assessment made to the Transferor Company and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.
- e. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, minimum alternate tax, advance tax, tax deducted at source, wealth tax, GST, service tax, excise duty, central sales tax, applicable state value added tax, Central Value Added Tax (CENVAT), registrations etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

10. EMPLOYEES OF TRANSFEROR COMPANY:

Upon the coming into effect of this Scheme:

- 10.1** Employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Company with any union/ employees of the Transferor Company and recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- 10.2** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits, if any, created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds

and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

- 11. SAVING OF CONCLUDED TRANSACTIONS:** Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12. CREDITORS

- 12.1** The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- 12.2** The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

13. MERGER OF AUTHORIZED SHARE CAPITAL

- 13.1** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Act, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.
- 13.2** Clause V of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART III

CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

14. CANCELLATION OF SHARE CAPITAL

- 13.1** The Transferor Company, MITL is wholly owned subsidiary of the Transferee Company. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the entire issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.
- 13.2** Upon the coming into effect of this scheme, the share certificates, if any, and/or the shares representing the shares held by the transferee company in the Transferor Company shall be deemed to be cancelled without any further act or deed.
- 13.3** Any sum of money owed by Transferee Company in Transferor Company or vice versa shall stand cancelled.

PART IV

ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:

- 14.1 Recording of Assets and Liabilities:** All the assets and liabilities of the Transferor Company shall be transferred at their Book values at the close of the business on the Appointed Date. The reserve and surplus, if any, and debit balance in the Profit and Loss account shall be transferred to Transferee Company in the same manner in which it appears in the books of Transferor Company as on the Appointed Date. Similarly, the miscellaneous expenditure representing un-amortized preliminary expenses of the Transferor Company shall be transferred to the Transferee Company in the same manner in which they appear in the books of the concerned Transferor Company as on the Appointed Date;
- 14.2** Inter-company balances, if any, shall stand cancelled.
- 14.3 Treatment of Surplus/Deficit on account of cancellation of "Investments":** Consequent upon and simultaneously with the transfer and recording of assets and liabilities of the Transferor Company in the books of the Transferee Company, the carrying amount of "Investments" in the books of the Transferee Company in respect of its holding in the Transferor Company,

shall stand cancelled. The difference in the value of “Net Assets Transferred” and the carrying amount of Investments shall be adjusted in the reserves in accordance with the Accounting Standards or Generally Accepted Accounting Principles.

14.4 Treatment of difference in accounting policy: In case any differences in any accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in accordance with the accounting policies as stated in Accounting Standard (AS) 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

14.5 Procedure to deal with Balances as between Transferor Company and Transferee Company: To the extent that there are intercompany loans, deposits, balances as between the Transferor Company and Transferee Company or vice versa, the obligation in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets and liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loan, deposit or balances, with effect from the Appointed Date.

14.6 The amalgamation is in the nature of merger and shall be accounted in the books of Transferee Company as per the provisions of Accounting Standard-14 issued by the Institute of Chartered Accountants of India.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

15. DISSOLUTION OF TRANSFEROR COMPANY:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

16. EFFECTIVE DATE

The Scheme shall become effective and transfers shall be deemed to have taken place with effect from the Appointed Date upon the certified copies of the order of the NCLT sanctioning this Scheme is filed by the Transferor and the Transferee Company with the Registrar of Companies, Kolkata.

16. APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING SCHEME:

16.1. Joint Application by Transferor Company and Transferee Company: Transferor Company and Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Sections 230 to 232 and other applicable provisions of the said Act to the NCLT, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect;

16.2. It is hereby clarified that submissions of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

17. MODIFICATIONS TO THE SCHEME:

17.1. Scheme subject to Modifications: The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to;

17.2. Modifications and Amendments to Scheme: The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit approve or propose;

17.3. Withdrawal of Scheme: In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by Transferor Company or by Transferee Company, then Transferor Company and/or Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them;

18. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained.

18.1 The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the

Transferor Company and the Transferee Company, as may be directed by the Hon'ble National Company Law Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;

18.2 Sanction of NCLT, Kolkata Bench: The sanction of the National Company Law Tribunal, Kolkata Bench under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company

18.3 Approval of Reserve Bank of India: Prior written approval of Reserve Bank of India will be required to be taken by the Transferor Company. The Transferee Company is not required to take approval of Reserve Bank of India as there is no proposal for change in the shareholding pattern or paid up equity capital of the Transferee Company.

1. **Approval of SEBI and Stock Exchanges:** In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the abovesaid SEBI Notification/Circular.
2. Filing of certified copy of the order of the NCLT under clause 18.2 above with the Registrar of Companies, Kolkata, by the Transferor Company and the Transferee Company for registration;
3. Requisite sanction and/or approval of any Government or Regulatory authority as may be required under any law for the amalgamation;

19 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 18 above not being obtained, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, 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 as is specifically provided in the Scheme or may otherwise arise in law.

20 EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Company or Transferee Company, the non-performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision if any to the contrary under the Scheme.

21 COSTS AND EXPENSES:

All costs, charges and expenses of Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective companies.

22. RESIDUAL PROVISIONS:

On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this scheme.

The Scheme shall take effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

MAGMA FINCORP LIMITED

REPORT OF THE BOARD OF DIRECTORS OF MAGMA FINCORP LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF MAGMA ITL FINANCE LIMITED WITH MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO.

1. Background:

- 1.1. The proposed Scheme of Amalgamation of Magma ITL Finance Limited ("Transferor Company") with Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferee Company at its meeting held on 9 November 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 9 November 2017 is required to be circulated along with notice convening meeting of the shareholders and/or creditors and/or debentureholders, as the case may be.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

By order of the Board
For **Magma Fincorp Limited**

Sd/-
Narayan K Seshadri
Chairman
DIN:00053563

Place: Mumbai
Date: 9 November, 2017

REPORT OF THE BOARD OF DIRECTORS OF MAGMA ITL FINANCE LIMITED ON THE SCHEME OF AMALGAMATION INTO MAGMA FINCORP LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME ") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

- 1.1. The proposed Scheme of Amalgamation among Magma ITL Finance Limited ("Transferor Company") into Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferor Company at its meeting held on 28 October 2017. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMP's), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 28 October 2017 is required to be circulated along with notice convening meeting of the shareholders and creditors.
- 1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The Scheme, duly initialed by the Company Secretary of the Transferor Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties;

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (only class of shareholders) of the Transferor Company. The directors and KMPs of the Transferor Company will cease to be the directors and KMPs of the Transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the Transferee Company with effect from the effective date of the Scheme without having any adverse effect on them.

By order of the Board
For **Magma ITL Finance Limited**

Sd/-

Satya Brata Ganguly

Chairman appointed for the meeting

DIN:00012220

Place: Kolkata

Date: 28 October, 2017

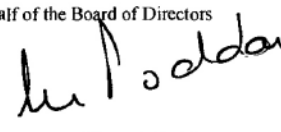
Interim Condensed Balance Sheet

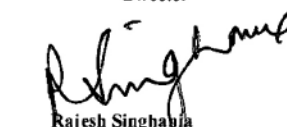
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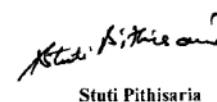
	Note No.	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,500.00	4,500.00
Reserves and surplus	4	8,922.76	8,651.52
		<u>13,422.76</u>	<u>13,151.52</u>
Non-current liabilities			
Long-term borrowings	5	15,852.94	19,135.29
Long-term provisions	6	4,753.96	2,281.96
		<u>20,606.90</u>	<u>21,417.25</u>
Current liabilities			
Short-term borrowings	7	13,270.52	22,413.80
Trade payables	8	-	-
- Due to micro and small enterprises		-	-
- Due to others		503.60	735.79
Other current liabilities	9	3,774.06	5,743.88
Short-term provisions	10	599.81	45.71
		<u>18,147.99</u>	<u>28,939.18</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>
ASSETS			
Non-current assets			
Property, Plant And Equipment	11	-	-
- Intangible assets		6.14	7.09
Non-current investments	12	175.17	316.50
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	-	-
- Assets on finance		29,133.49	37,799.81
- Others		613.60	610.29
Other non-current assets	15	190.72	1,235.51
		<u>30,119.12</u>	<u>39,969.20</u>
Current assets			
Current investments	16	310.26	411.38
Trade receivables	17	7.33	43.28
Cash and bank balances	18	5,127.65	4,320.79
Short-term loans and advances	19	-	-
- Assets on finance		15,745.95	17,607.55
- Others		685.22	926.67
Other current assets	20	182.12	229.08
		<u>22,058.53</u>	<u>23,538.75</u>
TOTAL		<u>52,177.65</u>	<u>63,507.95</u>
Accounting policies to interim condensed financial statements	2		
Notes to the interim condensed financial statements	3 - 29		
The accompanying notes are an integral part of the financial statements.			

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

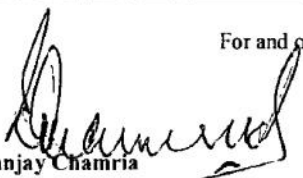
MAGMA ITL FINANCE LIMITED

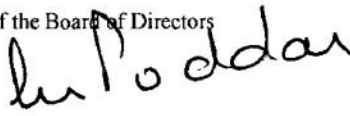
Interim Condensed Statement of Profit and Loss

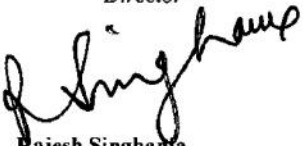
(₹ in lacs)

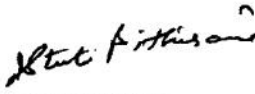
	Note No.	For the six months ended 30 September 2017 (Unaudited)
REVENUE		
Revenue from operations	21	4,613.83
Other income	22	109.98
Total revenue		4,723.81
EXPENSES		
Employee benefit expenses	23	573.04
Finance costs	24	2,257.97
Depreciation and amortisation expense	11	0.95
Provisions and bad debts written-off	25	629.74
Other expenses	26	240.87
Total expenses		3,702.57
Profit/ (Loss) before tax		1,021.24
Tax expenses		
Current tax - current year		750.00
Deferred tax		-
Profit/ (Loss) after tax		271.24
Earnings per equity share (nominal value of ₹ 10/- each)		
Basic and diluted (in ₹)	27	0.60
Accounting policies to interim condensed financial statements	2	
Notes to the interim condensed financial statements	3 - 29	
The accompanying notes are an integral part of the financial statements.		

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhan
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Interim Condensed Cash Flow Statement

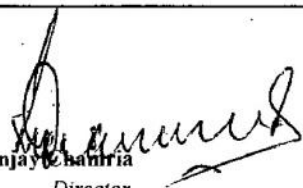
(₹ in lacs)

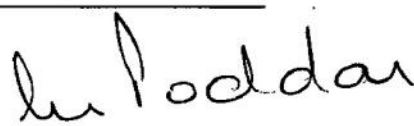
For the six months ended
30 September 2017

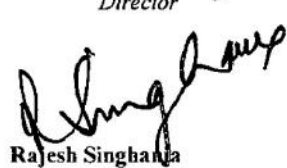
A. Net cash from Operating Activities	15,914.56
B. Net cash from Investing Activities	242.45
C. Net cash used in Financing Activities	(16,162.99)
Net decrease in cash & cash equivalents (A+B+C)	(5.98)
Cash and cash equivalents at the beginning of the period	14.55
Cash and cash equivalents as at the end of the period	8.57

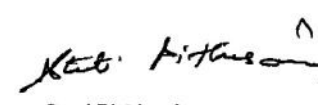
CASH & CASH EQUIVALENTS (Note 18)

Cash in hand	0.17
Balance with banks	8.40
In current accounts	8.57


Sanjay Chandra
Director


Mayank Poddar
Director


Rajesh Singha
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements

Note: 1

COMPANY OVERVIEW

Magma ITL Finance Limited ('the Company' or 'MITL') is a subsidiary company of Magma Fincorp Limited. The Company had received Certificate of Registration in March, 2008 from Reserve Bank of India and its commercial operation of financing (primarily tractor financing) commenced from July, 2008. MITL is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') with Reserve Bank of India. The Company is headquartered in Kolkata.

Note: 2

Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with Accounting Standard 25 (AS 25), Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim financial statements have been prepared for the purposes of the Draft Scheme of Amalgamation (as necessary) in connection with the proposed merger of the Company with Magma Fincorp Limited.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 3		
SHARE CAPITAL		
Authorised		
175,000,000 (2017: 175,000,000) equity shares of ₹ 10/- each	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, subscribed and fully paid-up		
45,000,000 (2017: 45,000,000) equity shares of ₹ 10/- each	4,500.00	4,500.00
	<u>4,500.00</u>	<u>4,500.00</u>

a) Reconciliation of the number of equity shares outstanding and the amount of share capital

	As at 30 September 2017 (Unaudited)		As at 31 March 2017 (Audited)	
Equity shares of ₹ 10 each, fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	45,000,000	4,500.00	45,000,000	4,500.00
Outstanding at the end of the year	<u>45,000,000</u>	<u>4,500.00</u>	<u>45,000,000</u>	<u>4,500.00</u>

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the annual general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to preference shareholders. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% of aggregate equity share capital of the Company

	As at 30 September 2017 (Unaudited)			As at 31 March 2017 (Audited)		
Name of the equity shareholder	No. of shares	Amount	% of holding	No. of shares	Amount	% of holding
Magma Fincorp Limited (Holding Company)	45,000,000	4,500.00	100%	33,299,400	3,329.94	74%
International Tractors Limited	-	-	-	11,700,000	1,170.00	26%

d) Shares issued for consideration other than cash:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 4		
RESERVES AND SURPLUS		
Capital reserve	22.24	22.24
Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	2,350.00	2,350.00
Add: Transfer from surplus in the statement of profit and loss	-	-
	<u>2,350.00</u>	<u>2,350.00</u>
Surplus (balance in the statement of profit and loss)		
Opening balance	6,279.28	9,248.51
Add: Profit/ (Loss) after tax	271.24	(2,969.23)
	<u>6,550.52</u>	<u>6,279.28</u>
Appropriations		
Transferred to statutory reserve	-	-
Net surplus in the statement of profit and loss	<u>6,550.52</u>	<u>6,279.28</u>
	<u>8,922.76</u>	<u>8,651.52</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 5		
LONG-TERM BORROWINGS		
Term loans		
Secured		
from banks	4,852.94	5,735.29
	<u>4,852.94</u>	<u>5,735.29</u>
Other loans		
Unsecured		
from related parties	11,000.00	13,400.00
	<u>11,000.00</u>	<u>13,400.00</u>
	<u>15,852.94</u>	<u>19,135.29</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 6		
LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	45.07	45.07
Provision for compensated absences	25.27	28.80
Other provisions		
Provision for non-performing assets	4,583.62	2,088.09
Contingent provision against standard assets	100.00	120.00
	<u>4,753.96</u>	<u>2,281.96</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 7		
SHORT-TERM BORROWINGS		
Loans from banks		
Secured		
Cash credit facilities	1,270.52	9,913.80
Working capital demand loans	12,000.00	12,500.00
	<u>13,270.52</u>	<u>22,413.80</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 8		
TRADE PAYABLES		
Due to micro and small enterprises *	-	-
Due to others	503.60	735.79
	<u>503.60</u>	<u>735.79</u>

* The Company has no dues to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, as at 30 September 2017 and 31 March 2017. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company.

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Note 5)	2,566.27	4,169.46
Interest accrued but not due on borrowings	4.62	4.59
Other liabilities		
Advance from customers	375.51	444.88
Statutory liabilities	32.81	45.19
Pending remittance on assignment/ securitisation	692.06	932.77
Other payables	102.79	146.99
	3,774.06	5,743.88

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 10		
SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	6.28	0.28
Provision for compensated absences	4.68	3.18
Other provisions		
Provision for taxation (Net)	538.85	2.25
Contingent provision against standard assets	50.00	40.00
	599.81	45.71

Note - 11

PROPERTY, PLANT AND EQUIPMENT

Description of assets	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2017	Additions	Deletions	As at 30 Sep 2017	As at 1 April 2017	For the period	Deletions	As at 30 Sep 2017	As at 30 Sep 2017
Intangible assets									
Computer softwares acquired	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14
Total (Unaudited)	11.31	-	-	11.31	4.22	0.95	-	5.17	6.14

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 12		
NON-CURRENT INVESTMENTS		
Other investments (at cost)		
Investment in pass through certificates	175.17	316.50
	175.17	316.50

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 13		
DEFERRED TAX ASSETS (NET)		
Deferred tax assets*	121.42	195.04
Deferred tax liabilities		
Fixed assets	1.86	2.02
Unamortised expenses (net)	119.56	193.02
	121.42	195.04
Deferred tax assets (Net)	-	-

*Deferred tax assets have been recognised to the extent of deferred tax liabilities.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 14		
LONG-TERM LOANS AND ADVANCES		
Assets on finance (secured)*		
considered good	24,835.72	35,158.13
considered doubtful	4,297.77	2,641.68
	29,133.49	37,799.81
Others (unsecured, considered good)		
Loan to employees	0.88	2.83
Tax advance and deduction at source (Net)	612.72	607.46
	613.60	610.29
	29,747.09	38,410.10

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 15		
OTHER NON-CURRENT ASSETS		
Non-current bank balances (Note 18)	-	888.84
Unamortised borrowings costs	129.64	153.32
Unamortised loan origination costs (net)	61.08	193.35
	190.72	1,235.51

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 16		
CURRENT INVESTMENTS		
Other investments (at cost)		
In pass through certificates	310.26	411.38
	310.26	411.38

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they became due for payment	-	-
Other debts	7.33	43.28
	<u>7.33</u>	<u>43.28</u>

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.17	0.17
Balances with banks in current accounts	8.40	14.38
	<u>8.57</u>	<u>14.55</u>
Other bank balances		
Deposits with original maturity of 3 months or less	461.94	-
Deposits with original maturity of more than 3 months to 12 months	2,800.30	1,735.00
Current maturities of deposits with original maturity of more than 12 months	1,856.84	2,571.24
	<u>5,119.08</u>	<u>4,306.24</u>
	<u>5,127.65</u>	<u>4,320.79</u>

(a) Fixed deposits aggregating ₹ 4,792.33 lacs (2017: ₹ 5,185.61 lacs) are marked as lien with banks / SPVs towards cash collateral for securitisation of receivables.

(b) Fixed deposits with more than 12 months maturity aggregating to ₹ Nil (2017: ₹ 888.84 lacs) included under 'Other Non-Current Assets' (Note 15).

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 19		
SHORT-TERM LOANS AND ADVANCES		
Assets on finance (secured, considered good)*	<u>15,745.95</u>	<u>17,607.55</u>
	<u>15,745.95</u>	<u>17,607.55</u>
Others (unsecured, considered good)		
Loans and advances to related parties	1.31	189.06
Loan to employees	38.39	41.74
Advances recoverable in cash or in kind or for value to be received	600.87	653.18
Prepaid expenses	19.61	30.76
Balances with statutory/ government authorities	25.04	11.93
	<u>685.22</u>	<u>926.67</u>
	<u>16,431.17</u>	<u>18,534.22</u>

* Secured by underlying assets financed.

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
Note - 20		
OTHER CURRENT ASSETS		
Unamortised borrowings costs	82.02	110.71
Unamortised loan origination costs (net)	72.72	100.34
Interest accrued but not due on fixed deposits	27.38	18.03
	<u>182.12</u>	<u>229.08</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended
30 September 2017
(Unaudited)

Note-21

REVENUE FROM OPERATIONS

Interest/ finance income

On assets on finance	4,058.20
On loan assigned / securitised	210.37
On pass through certificates	17.82
On fixed deposits	175.14
On loans and margins	60.66
	<u>4,522.19</u>

Other financial income

Management fees	8.52
Support services	24.39
Others	58.73
	<u>91.64</u>
	<u>4,613.83</u>

For the six months ended
30 September 2017
(Unaudited)

Note-22

OTHER INCOME

Bad debt recovered	109.98
	<u>109.98</u>

For the six months ended
30 September 2017
(Unaudited)

Note-23

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	487.53
Contribution to provident and other funds	30.85
Staff welfare expenses	54.66
	<u>573.04</u>

For the six months ended
30 September 2017
(Unaudited)

Note-24

FINANCE COSTS

Interest expense

On term loans	477.32
On cash credit and working capital facilities from banks	777.90
On loan from bodies corporate and others	878.98

Other borrowing costs

	123.77
	<u>2,257.97</u>

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

For the six months ended

30 September 2017

(Unaudited)

Note-25

PROVISIONS AND BAD DEBTS WRITTEN-OFF

Bad debts and provision for non-performing assets (net)

639.74

Contingent provision against standard assets

(10.00)

629.74

For the six months ended

30 September 2017

(Unaudited)

Note-26

OTHER EXPENSES

Outsourced manpower cost

51.56

Rent

2.05

Brokerage and commission

80.83

Rates and taxes

1.12

Advertisement and publicity

0.03

Travelling and conveyance

5.67

Professional fees

11.55

Legal expenses

76.38

Printing and stationery

0.61

Communication

1.04

Electricity charges

0.45

Office expenses

0.65

Corporate Social Responsibility Expenditure

2.13

Miscellaneous expenses

6.80

240.87

MAGMA ITL FINANCE LIMITED

Notes to the interim condensed financial statements (continued)

(₹ in lacs)

27 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For the six months ended 30 September 2017 (Unaudited)	Year ended 31 March 2017 (Audited)
	Basic and diluted			
1	Net profit as per statement of profit and loss	₹ Lacs	271.24	(2,969.23)
2	Weighted average number of Equity shares	No. of shares	45,000,000	45,000,000
3	Nominal value of Equity shares	₹	10.00	10.00
4	Earnings per share - Basic and diluted	₹	0.60	(6.60)

28 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)
(A) Claims against the company not acknowledged as debt;		
(i) Income tax matters under dispute	0.19	0.19
(ii) Service tax matters under dispute	131.77	131.77
(B) Guarantees;		
(i) Unexpired bank guarantee	2,425.60	2,425.60

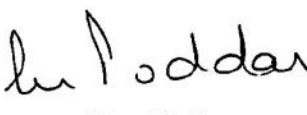
- (b) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision required under any law/accounting standard/RBI regulation for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative transaction during the six months ended 30 September 2017 (2017: ₹ Nil).

29 Segment reporting

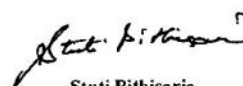
The Company is engaged in providing financial services to the customers in India. Considering the nature of risks and rewards of its services and its internal organisation and management structure, the Company has only one reportable business segment i.e. financial services and only one reportable geographical segment i.e. India.

For and on behalf of the Board of Directors


Sanjay Chamria
Director


Mayank Poddar
Director


Rajesh Singhania
Chief Financial Officer


Stuti Pithisaria
Company Secretary

Kolkata, 28 October 2017

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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Review report
To the Board of Directors
Magma Fincorp Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Magma Fincorp Limited ('the Company'), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute 'the Group') for the quarter ended 30 September 2017 and the year to date consolidated financial results for the period 1 April 2017 to 30 September 2017 (together known as 'the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We did not review the condensed interim financial statements of one joint venture and one step-down subsidiary included in the unaudited consolidated financial results whose condensed interim financial statements reflect total assets of Rs 263,603 lakhs as at 30 September 2017 as well as total revenue of Rs 5,721 lakhs for the quarter ended 30 September 2017 and Rs 11,363 lakhs for the period 1 April 2017 to 30 September 2017 as considered in the Statement of the Group. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management. Our report on the Statement of the Group, in so far as it related to the amounts and disclosures included in respect of these joint venture and step-down subsidiary, is based solely on the reports of the other auditors.
5. We did not review the condensed interim financial statements of two subsidiary and one joint venture included in the consolidated financial results, whose condensed interim financial statements reflect total assets of Rs 79,063 lakhs as at 30 September 2017 as well as total revenue of Rs 1,932 lakhs for the quarter ended 30 September 2017 and Rs 4,750 lakhs for the period 1 April 2017 to 30 September 2017. These condensed interim financial statements have been furnished to us by management and our report on the Statement of the Group, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, is based solely on such condensed interim financial statements certified by respective management. Our opinion is not modified in respect of the said matter.



B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

Review report (continued)

Magma Fincorp Limited

6. Based on our review conducted as mentioned in paragraphs 3 to 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership No:046882

Place: Mumbai

Date: 9 November 2017



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue						
(a) Revenue from operations	53,129.01	54,922.87	59,877.89	108,051.88	120,462.10	234,561.95
(b) Operating result from general insurance business	25.69	(23.17)	138.96	2.52	(71.73)	(114.48)
(c) Other income	1,816.75	1,924.58	1,585.29	3,741.33	2,753.55	5,497.69
Total revenue (net)	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. Expenses						
(a) Employee benefits expense	8,903.53	8,862.47	7,282.04	17,766.00	15,002.09	29,332.04
(b) Finance costs	22,805.45	24,022.44	29,019.77	46,827.89	59,637.81	112,544.47
(c) Depreciation and amortisation expense	1,169.62	1,285.25	1,171.42	2,454.87	2,252.81	4,850.13
(d) Provisions and bad debts written-off	7,485.61	9,144.66	9,508.20	16,630.27	18,286.50	60,685.95
(e) Brokerage and commission	2,416.58	2,286.19	2,735.04	4,702.77	5,585.50	11,178.34
(f) Other expenses	4,222.21	4,429.69	4,228.02	8,651.90	8,185.73	16,675.11
Total expenses	47,003.00	50,030.70	53,944.49	97,033.70	108,950.44	235,266.04
3. Profit from ordinary activities before tax (1-2)	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
4. Tax expense						
(a) Current tax	2,950.98	2,353.16	3,162.53	5,304.14	5,081.57	1,500.08
(b) Deferred tax	132.02	(66.81)	(563.90)	65.21	(704.37)	1,905.81
Total tax expense	3,083.00	2,286.35	2,598.63	5,369.35	4,377.20	3,405.89
5. Net Profit from ordinary activities after tax (3-4)	4,885.45	4,507.23	5,059.02	9,392.68	9,816.28	1,273.23
6. Minority interest	8.12	(8.12)	18.05	-	87.57	(772.04)
7. Net Profit after taxes and minority interest (5-6)	4,877.33	4,515.35	5,040.97	9,392.68	9,728.71	2,045.27
8. Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
9. Reserves and surplus						212,474.18
10. Earnings per share (not annualised)						
(a) Basic (in ₹)	2.06	1.91	2.13	3.96	4.11	0.86
(b) Diluted (in ₹)	2.05	1.90	2.12	3.95	4.09	0.86

See accompanying notes to the financial results

Consolidated Segment Reporting for the Quarter and Six Month Period Ended 30 September 2017

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. REVENUE						
(a) Finance and mortgages	54,508.92	56,411.70	60,916.66	110,920.62	122,160.39	238,354.38
(b) General insurance	109.18	26.96	248.51	136.14	115.27	361.06
(c) Others	353.35	385.62	436.97	738.97	868.26	1,229.72
TOTAL REVENUE	54,971.45	56,824.28	61,602.14	111,795.73	123,143.92	239,945.16
2. RESULT - PROFIT BEFORE TAX						
(a) Finance and mortgages	7,715.58	6,592.97	7,242.05	14,308.55	13,742.21	4,106.74
(b) General insurance	107.66	25.50	248.51	133.16	115.27	294.76
(c) Others	145.21	175.11	167.09	320.32	336.00	277.62
TOTAL	7,968.45	6,793.58	7,657.65	14,762.03	14,193.48	4,679.12
3. ASSETS						
(a) Finance and mortgages	1,247,813.43	1,272,969.29	1,407,878.58	1,247,813.43	1,407,878.58	1,309,673.86
(b) General insurance	46,568.96	45,016.47	41,500.22	46,568.96	41,500.22	43,154.01
(c) Others	6,827.80	6,818.72	7,423.44	6,827.80	7,423.44	6,693.54
TOTAL	1,301,210.19	1,324,804.48	1,456,802.24	1,301,210.19	1,456,802.24	1,359,521.41
4. LIABILITIES						
(a) Finance and mortgages	1,039,134.52	1,063,231.18	1,194,061.71	1,039,134.52	1,194,061.71	1,104,197.80
(b) General insurance	37,185.65	35,722.87	32,389.08	37,185.65	32,389.08	33,879.61
(c) Others	541.15	674.15	1,093.18	541.15	1,093.18	811.04
TOTAL	1,076,861.32	1,099,628.20	1,227,543.97	1,076,861.32	1,227,543.97	1,138,888.45



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017.

Particulars	(₹ in lacs)	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	219,604.92	212,472.60
(c) Fair value change account	4.48	1.58
Sub-total - shareholders' funds	224,348.87	217,213.37
2. Minority interest	-	3,419.59
3. Non-current liabilities		
(a) Long-term borrowings	296,438.13	310,929.43
(b) Long-term provisions	29,534.22	22,587.50
Sub-total - non-current liabilities	325,972.35	333,516.93
4. Current liabilities		
(a) Short-term borrowings	528,360.32	548,022.99
(b) Trade payables	22,743.05	19,760.05
(c) Other current liabilities	189,098.68	228,684.75
(d) Short-term provisions	10,686.92	8,903.73
Sub-total - current liabilities	750,888.97	805,371.52
TOTAL - EQUITY AND LIABILITIES	1,301,210.19	1,359,521.41
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	27,194.33	28,525.93
(b) Non-current investments	51,033.32	47,292.90
(c) Deferred tax assets (net)	1,909.13	1,974.34
(d) Long-term loans and advances	754,191.43	792,267.87
(e) Other non-current assets	15,928.62	19,761.60
Sub-total - non-current assets	850,256.83	889,822.64
2. Current assets		
(a) Current investments	10,558.25	7,356.05
(b) Trade receivables	1,105.54	674.93
(c) Cash and bank balances	42,767.56	35,330.96
(d) Short-term loans and advances	385,349.72	413,976.24
(e) Other current assets	11,172.29	12,360.59
Sub-total - current assets	450,953.36	469,698.77
TOTAL - ASSETS	1,301,210.19	1,359,521.41

- 2] The unaudited consolidated financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the consolidated financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] In accordance with Regulation 33 of the Listing Regulations, the Company shall publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 5] The consolidated financial results have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) and comprise of the financial results of Magma Fincorp Limited, its subsidiaries, Magma ITL Finance Limited ('MITL') and Magma Advisory Services Limited ('MASL'), its step down subsidiary, Magma Housing Finance Limited ('MHFL') (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) (subsidiary of MASL) and Joint Venture Companies, Magma HDI General Insurance Company Limited ('MHDI') and Jaguar Advisory Services Private Limited ('JASPL').
- 6] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director ('RD'), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 7] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner) Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.

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MAGMA FINCORP LIMITED

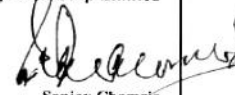
Statement of Consolidated Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 8] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.
- 9] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 10] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 791.98 lacs and ₹ 1,823.26 lacs respectively.
- 11] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 12] The Company has reported segment wise information as per Accounting Standard 17 (Segment Reporting) as prescribed under Section 133 of the Companies Act, 2013. As the operations of the Company are conducted through its subsidiaries and joint ventures within India, there is no separate reportable geographical segment.
- 13] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter Ended			Year to Date		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total income from operations	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2. Profit from ordinary activities before tax	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
3. Net Profit from ordinary activities after tax	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68

- 14] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary

By order of the Board
For Magma Fincorp Limited



Sanjay Chamria

Vice Chairman and Managing Director

DIN : 00009894

Place : Mumbai

Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070

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

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

Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report **To the Board of Directors** **Magma Fincorp Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Magma Fincorp Limited ('the Company') for the quarter ended 30 September 2017 and year to date results for the period 1 April 2017 to 30 September 2017 ('the Statement'). This Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 November 2017. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W / W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Place: Mumbai
Date: 9 November 2017

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Particulars		Quarter Ended			Year to Date		Year Ended
		30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Revenue						
	(a) Revenue from operations	46,073.01	47,004.38	50,479.18	93,077.39	101,327.80	197,297.85
	(b) Other income	1,828.80	1,866.22	1,386.31	3,695.02	2,400.52	4,906.65
	Total revenue	47,901.81	48,870.60	51,865.49	96,772.41	103,728.32	202,204.50
2.	Expenses						
	(a) Employee benefits expense	7,796.86	7,538.26	5,571.02	15,335.12	11,357.32	23,020.76
	(b) Finance costs	19,401.64	20,314.77	24,046.64	39,716.41	49,699.15	93,788.05
	(c) Depreciation and amortisation expense	1,163.21	1,278.88	1,165.85	2,442.09	2,242.37	4,828.66
	(d) Provisions and bad debts written-off	7,810.27	7,735.90	8,777.26	15,546.17	16,436.06	54,232.49
	(e) Brokerage and commission	2,319.52	2,163.13	2,598.61	4,482.65	5,293.20	10,606.68
	(f) Other expenses	3,847.07	3,980.97	3,722.38	7,828.04	7,197.98	14,657.05
	Total expenses	42,338.57	43,011.91	45,881.76	85,350.48	92,226.08	201,133.69
3.	Profit from ordinary activities before tax (1-2)	5,563.24	5,858.69	5,983.73	11,421.93	11,502.24	1,070.81
4.	Tax expense						
	(a) Current tax	1,710.00	2,047.96	2,597.88	3,757.96	4,269.20	(330.07)
	(b) Deferred tax	166.21	(96.62)	(517.83)	69.59	(682.05)	791.20
	Total tax expense	1,876.21	1,951.34	2,080.05	3,827.55	3,587.15	461.13
5.	Net Profit from ordinary activities after tax (3-4)	3,687.03	3,907.35	3,903.68	7,594.38	7,915.09	609.68
6.	Paid-up equity share capital (Face value of ₹ 2/- each)	4,739.47	4,739.47	4,738.67	4,739.47	4,738.67	4,739.19
7.	Reserves and surplus						199,050.19
8.	Earnings per share (not annualised)						
	(a) Basic (in ₹)	1.56	1.65	1.65	3.20	3.34	0.26
	(b) Diluted (in ₹)	1.55	1.65	1.64	3.20	3.33	0.26

See accompanying notes to the financial results

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MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

Notes :

- 1] Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at 30 September 2017

Particulars	₹ in lacs	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	4,739.47	4,739.19
(b) Reserves and surplus	204,384.19	199,050.19
Sub-total - shareholders' funds	209,123.66	203,789.38
2. Non-current liabilities		
(a) Long-term borrowings	238,885.10	238,677.37
(b) Long-term provisions	22,720.64	18,534.81
Sub-total - non-current liabilities	261,605.74	257,212.18
3. Current liabilities		
(a) Short-term borrowings	481,449.06	487,335.75
(b) Trade payables	22,109.96	18,307.40
(c) Other current liabilities	123,377.78	171,123.45
(d) Short-term provisions	2,380.87	1,426.58
Sub-total - current liabilities	629,317.67	678,193.18
TOTAL - EQUITY AND LIABILITIES	1,100,047.07	1,139,194.74
B. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	20,317.20	21,643.99
(b) Non-current investments	57,494.57	53,284.47
(c) Deferred tax assets (net)	1,902.08	1,971.67
(d) Long-term loans and advances	598,105.93	624,483.61
(e) Other non-current assets	14,149.63	16,913.69
Sub-total - non-current assets	691,969.41	718,297.43
2. Current assets		
(a) Current investments	6,431.96	4,737.23
(b) Trade receivables	1,133.53	643.21
(c) Cash and bank balances	34,634.57	27,249.11
(d) Short-term loans and advances	358,915.88	380,302.82
(e) Other current assets	6,961.72	7,964.94
Sub-total - current assets	408,077.66	420,897.31
TOTAL - ASSETS	1,100,047.07	1,139,194.74

- 2] The unaudited standalone financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 09 November 2017.
- 3] The Statutory Auditors have carried out limited review of the standalone financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.
- 4] The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Company has submitted final application for approval of the Scheme with Regional Director (RD), Registrar of Companies and Official Liquidator and is pending for final order from RD.
- 5] During the quarter, the Company has acquired 26% equity shares of Magma ITL Finance Limited ('MITL'), a subsidiary company, from International Tractors Limited ('ITL') (erstwhile Joint Venture Partner). Pursuant to the said acquisition, MITL has become a wholly owned subsidiary of the Company.
- 6] The Board of Directors of the Company at its Meeting held on 09 November 2017 has approved the Scheme of Merger under Section 230- 232 of the Companies Act, 2013 read with Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, MITL, with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of shareholders/creditors of the respective Companies and National Company Law Tribunal, Eastern Region.



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Six Month Period Ended 30 September 2017

- 7] The Shareholders at their Annual General Meeting held on 02 August 2017 approved the payment of equity dividend @ 40 % i.e. ₹ 0.80 per equity share of ₹ 2/- each and preference dividend of 4.57 % (on pro-rata basis) for the financial year 2016-17. The Company has accordingly paid the equity and preference dividend (including taxes) aggregating to ₹ 2,281.73 lacs & ₹ 0.90 lacs respectively to the shareholders appearing as on record date.
- 8] As required by RBI Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10 November 2014, the Company proposes to adopt the revised Non-Performing Assets ('NPA') norms applicable for the year ending 31 March 2018, in a phased manner over the financial year. During the quarter and half year ended 30 September 2017, the Company has made provision of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively, (including income de-recognition) towards loans which are overdue for over three months. Accordingly, the profit before tax for the quarter and half year ended 30 September 2017 is lower to the extent of ₹ 654.51 lacs and ₹ 1,596.66 lacs respectively.
- 9] The listed Non Convertible Debentures of the Company as on 30 September 2017 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 10] As per paragraph 4 of Accounting Standard 17 (Segment Reporting) prescribed under Section 133 of the Companies Act, 2013, segment reporting needs to be presented only on the basis of consolidated financial results. In view of this, segment information has been presented in the consolidated financial results.
- 11] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited



Sanjay Chandra
Vice Chairman and Managing Director
DIN : 00009894

Place : Mumbai
Dated : 09 November 2017

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070

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

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

Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in

**MAGMA FINCORP LIMITED****CIN: L51504WB1978PLC031813****REGISTERED OFFICE:** "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; **Fax:** 033-44027731**Before the National Company Law Tribunal, Bench at Kolkata****CA (CAA) No. 522/KB/2017**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,**CIN: L51504WB1978PLC031813**

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

MEETING OF THE DEBENTUREHOLDERS OF MAGMA FINCORPLIMITED**ON SATURDAY 17 FEBRUARY 2018 AT 2:00 P.M.****ATTENDANCE SLIP**

I/We hereby record my/our presence at the meeting of the Debentureholders of Magma Fincorp Limited, convened pursuant to the Order dated 10 January 2018 of the Hon'ble National Company Law Tribunal, Kolkata Bench in C.A. (CAA) NO. 522/KB/2017, at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday, 17 February 2018 at 2:00 P.M.

Serial No.	
Name	
Address	
Folio No. /DPID& Client ID No.*	
No. of debentures held	

Name of Proxy (in BLOCK LETTERS)_____
Signature of debentureholder/Proxy Present

(* Applicable to debentureholders holding debentures in dematerialized form)

Note:

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.



MAGMA FINCORP LIMITED

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016

Email: secretary@magma.co.in, Website: www.magma.co.in

Tel.: +91 33-44017200/350; Fax: 033-44027731

Before the National Company Law Tribunal, Bench at Kolkata

CA (CAA) No. 522/KB/2017

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 read with Section 233 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016

AND

In the matter of Scheme of Amalgamation between Magma ITL Finance Limited having CIN U65910WB2007PLC120137 and Magma Fincorp Limited having CIN L51504WB1978PLC031813 and their respective Shareholders.

MAGMA FINCORP LIMITED,

CIN: L51504WB1978PLC031813

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Magma House", 24, Park Street, Kolkata- 700016

.... Transferee Company/Applicant Company

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]

Name of the debentureholder(s) : _____

Registered address: _____

E-mail Id : _____

Folio No / DPID & Client ID* : _____

* Applicable in case debentures are held in electronic form.

I/We, being the debentureholders(s), 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 act for me/us at the meeting of the Debentureholders of Magma Fincorp Limited to be held at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017, on Saturday 17 February 2018 at 2:00 P.M. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said Scheme of Amalgamation, either with or without modification*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed thisday of2018

Signature of debentureholders(s).....

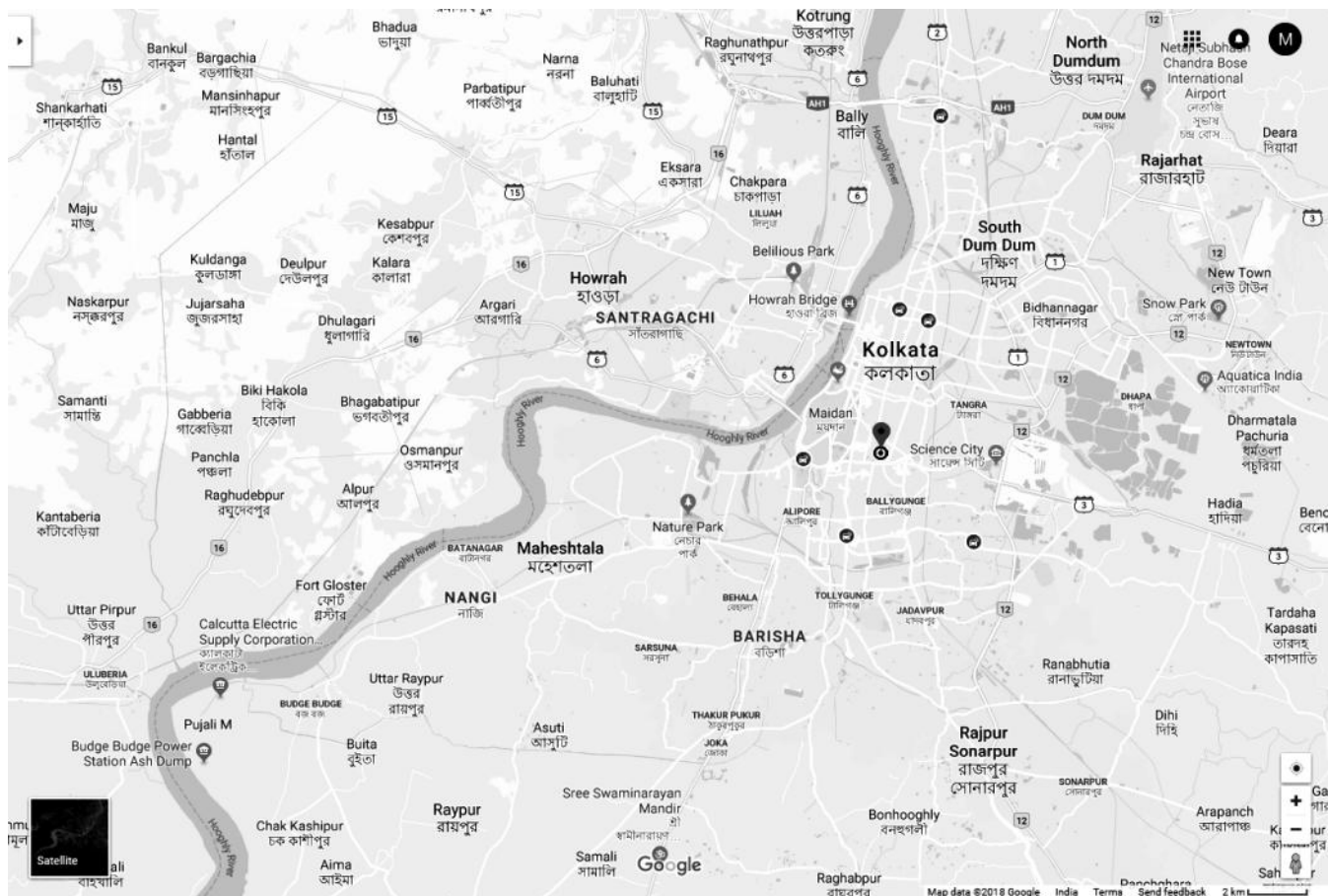
Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialled.

ROUTE MAP FOR THE NCLT CONVENED MEETING OF THE COMPANY SCHEDULED AT 17 FEBRUARY 2018.



VENUE :

Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700017

**MAGMA FINCORP LIMITED**

CIN: L51504WB1978PLC031813

REGISTERED OFFICE: "Magma House", 24, Park Street, Kolkata- 700016**Email:** secretary@magma.co.in, **Website:** www.magma.co.in**Tel.:** +91 33-44017200/350; **Fax:** 033-44027731**POSTAL BALLOT FORM**

SerialNo.	:
Name and Registered Address of the Sole/ First named Debentureholder	:
Registered Folio No./DP ID and Client ID No.* <i>(*Applicable to Debentureholders holding Debenture in dematerialized form)</i>	:
Number of Debentures held	:

I/We hereby exercise my/our vote in respect of the undernoted resolution as per the Notice dated 11 January 2018, pursuant to the Order of the National Company Law Tribunal, Kolkata Bench dated 10 January 2018, by sending my/our Assent (**FOR**) or Dissent (**AGAINST**) to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Brief Description	No. of Debentures	I /We Assent to the resolution (FOR)	I /We Dissent from the resolution (AGAINST)
1.	Approval of the Scheme of Amalgamation between Magma ITL Finance Limited ("Transferor Company") and Magma Fincorp Limited ("Transferee Company") and their respective shareholders ("Scheme") pursuant to the Sections 230 to 232 read with Section 233 and other applicable provisions of the Companies Act, 2013.			

Date:

Place:

Signature of the Debentureholder**Note:** Please read the instructions printed overleaf carefully before exercising the vote.

INSTRUCTIONS FOR FILLING BALLOT FORM

1. Consent must be accorded by recording the assent in the Column "FOR" or dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate columns. Postal Ballot Form bearing (✓) mark in both the columns will render the form invalid.
2. The voting period will commence on and from Thursday 18 January 2018 at 9.00 A.M. (IST) and end on Friday, 16 February 2018 at 5.00 P.M. (IST).
3. A Debentureholder desiring to exercise vote by postal ballot, shall send the duly completed form in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer not later than 5.00 P.M. on 16 February 2018. Postage on the Business Reply Envelope will be borne by the Applicant Company. However, envelopes containing Postal Ballot, if sent by Courier or by Registered Post or Speed Post, at the expense of the debentureholder will also be accepted. The Postal Ballot Form received after this date and time will be strictly treated as if reply from the debentureholder has not been received.
4. In case the Debenture Holders are bodies corporate, the Postal Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate.
5. Incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected by the Scrutiniser.
6. The vote on postal ballot cannot be exercised through proxy.
7. The National Company Law Tribunal, Kolkata Bench, has appointed Mr. Anil Murarka, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.