
Magma Fincorp Announces Shareholders' Approval of Acquisition of Controlling Stake by Rising Sun Holdings Pvt. Ltd through Preferential Issue

Mumbai, 9 March 2021: Mumbai-based asset finance company, Magma Fincorp Limited announced that at an extraordinary general meeting of shareholders held today, the Company's shareholders have approved with requisite majority, with 99.954% of votes in favour of the resolution out of the total votes polled, Preferential Allotment of 49,37,14,286 Equity shares of face value Rs. 2 each of the Company at an issue price of Rs. 70/- per equity share aggregating up to Rs. 3,456 crores, to Rising Sun Holdings Private Limited and existing Promoters, Mr Sanjay Chamria and Mr Mayank Poddar. The said Preferential Allotment would result in Rising Sun, a company controlled by Mr Adar Poonawalla, acquiring controlling stake of 60% in Magma Fincorp. The transaction is subject to necessary regulatory/statutory approvals, which are under process.

Following the preferential issue, Rising Sun Holdings would be classified as “Promoter” of Magma Fincorp. Magma Fincorp Limited and its subsidiaries shall be renamed and rebranded under the brand name “Poonawalla Finance”, subject to regulatory approvals. Subsequent to the completion of the preferential allotment, the existing financial services business of Poonawalla Finance is proposed to be consolidated into Magma Fincorp subject to compliance with extant regulations.

Rising Sun Holdings intends to nominate Mr. Adar Poonawalla as the Chairman of the Board of Directors and Mr. Abhay Bhutada, presently Managing Director & CEO of Poonawalla Finance, as Managing Director. Mr. Sanjay Chamria would continue as the Executive Vice Chairman of the Board.

Mr Adar Poonawalla commented on the approval saying – “ I truly appreciate the overwhelming response of the existing shareholders of Magma Fincorp in support of our bid to become the promoters with infusion of Rs. 3,206 crs and I look forward to quick completion of the transaction subject to regulatory and statutory approvals and fulfil the vision of serving the huge underserved segments of the society and building a great franchise”

Mr Sanjay Chamria said that – “ I thank all the shareholders including institutional shareholders and investors for having unanimously supporting the proposal to bring on board Mr Adar Poonawalla as the Promoter and it will prove to be a huge shot in the arm for the business prospects and future of the company and its employees, bankers, customers and shareholders. Now we will work towards getting regulatory approvals and completing statutory formalities so that the transaction can be consummated quickly”

Mr. Abhay Bhutada added, “We are excited to join hands with Magma . The potential for growth backed by capital and strong management will enable the company to stand out and create a niche for itself in the years to come.



About Magma Fincorp Limited

Magma Fincorp Limited (“Magma”) a Mumbai-based non-deposit taking systemically important non-banking finance company (NBFC), is registered with the Reserve Bank of India (RBI). The Company started operations nearly three decades back and is listed on the BSE Limited and the National Stock Exchange of India.

Magma a financial conglomerate offers a bouquet of financial products including commercial finance, agri finance, SME finance, mortgage finance and general insurance. Magma is focused on the rural and semi-urban sector with a widespread coverage and presence across 21 States 297 Branches. Magma’s customer base has crossed 5 million and it manages a loan book of Rs 15,006 cr.

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