

18 February 2021

The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051

Symbol: MAGMA

BSE Limited
Corporate Relationship Department
25th floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Company Code: 524000

Dear Sir,

Sub: Credit Rating

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

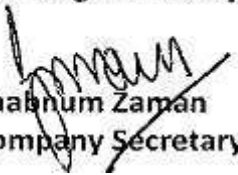
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby intimated that the Company has received a communication from ACUITE on 18 February 2021 whereby the rating of the Company's Unsecured Subordinated Redeemable Non-convertible Debentures (ACUITE AA) has been placed under watch with positive implication.

Furthermore, ACUITE has given the following rationale for the same:

ACUITE is of the view that pursuant to announcement made by Magma regarding the proposed sale of a controlling 60% stake in the Company to Rising Sun Holdings Private Limited, an entity controlled by Mr. Adar Poonawalla, the CEO of Serum Institute of India. The expected equity infusion of Rs. 3456 crores in the Company Limited will strengthen the capital position of Magma and its subsidiaries in a very significant manner which in turn will help to enhance its business profile over the medium term. The rating also factors in healthy capitalisation levels marked by capital adequacy of 28% as on December 31, 2020 and a healthy liquidity profile of Magma on a consolidated basis supported by the demonstrated ability to attract funds from various sources like banks, capital markets and overseas investors. The rating also continues to take into consideration the Company's established presence of nearly three decades in retail financing coupled with its experienced management.

Kindly take the same on record.

**Thanking you,
Yours faithfully,
For Magma Fincorp Limited**



**Shabnum Zaman
Company Secretary**