

1 June 2021

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)

Sub: Media Release for the year ended 31 March 2021


Dear Sir,

In continuation to our letter dated 31 May 2021, enclosing herewith the media release for information and record.

Thanking You,

Yours faithfully,

For Magma Fincorp Limited



Shabnum Zaman
Company Secretary

Encl: as above

***Embarking on a new journey under the Poonawalla
Group and professional leadership***

Magma Fincorp Limited

Investor Presentation – Q4 & FY21



MAGMA

Investing in the smallest dream



New Leadership



Mr. Adar Poonawalla
appointed Chairman



Mr. Abhay Bhutada
appointed Managing
Director[^]

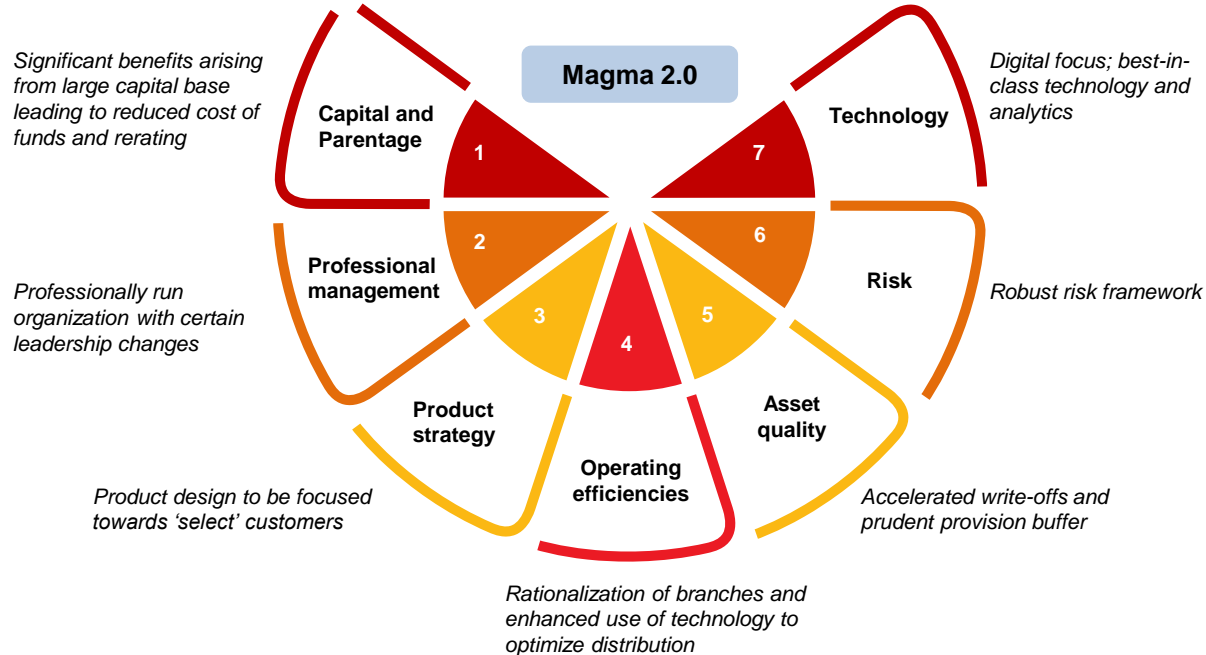


Mr. Vijay Deshwal
appointed CEO (to join in
July '21)

Highly capitalized and under-levered Company, well poised to garner market share as the environment improves

Magma 2.0 – Embarking on a new journey

Core strategic pillars of Magma 2.0



New management's 2025 vision for Magma 2.0

To be among Top 3 NBFCs for consumer and small/medium business finance

Accelerated growth with calibrated underwriting approach; ~3x of current AUM

Top-notch cost of funds in the industry; 200-250 bps reduction

Best in class provisioning to avoid any surprises in financial performance; Net NPAs sub 1%

State of the art, cutting-edge technology; to be a 'Key Opinion Leader' for tech in NBFCs

Accelerate the growth trajectory of subsidiaries followed by value unlocking through IPO

To become the most trusted financial service provider in the country

Transaction Update



- Magma Fincorp is now a subsidiary of Rising Sun Holdings Private Limited (owned and controlled by Mr. Adar Poonawalla), subsequent to equity infusion of ₹3,456 Cr on 06-May-2021; Process of rebranding the entities are underway
 - Equity infusion has resulted in the Tier-1 capital adequacy ratio* of the Company to increase substantially to 66.8% as on 15-May-2021, with leverage* standing at 1.3x as on the same date
- Magma Fincorp has infused ₹500 Crore of equity into Magma HFC on 31-May-2021, shoring up the net-worth of the HFC to around ₹1,000 Crore
- Magma HDI has received commitments for fresh capital of ₹250 crores from ICICI Venture, Morgan Stanley PE Asia, together with a secondary sale by promoters for ₹275 crores to comply with RBI guidelines for ownership of stake in insurance companies; Magma shall continue to provide support and distribution for Magma HDI

Highly capitalized and under-levered Company, well poised to garner market share as the environment improves

* Assuming Net Worth as on 15-May-2021 to be Net worth on 31-Mar-2021 plus capital infusion of ₹3,456 Cr

Operating performance FY21

- Post the substantial equity infusion of ₹3,456 Cr, Magma has a robust liquidity and liability profile as of 15- May-2021, which lays a solid foundation for the strong growth trajectory going forward
 - Overall liquidity of ₹5,058 crore
 - Net-worth of ₹5,650 Cr, Tier-1 CRAR at 66.8%, and leverage ratio of 1.3x
- The Company has seen a healthy reduction in cost of funds in the recent past (Q4 Cost of funds down 62 bps YoY and FY21 Cost of funds lower 36 bps YoY)
- The Company has adopted one of the most conservative policies in the industry for technical write-offs effective Q4FY21, resulting in one-time write-off impact of ₹274 Cr in Q4 FY21
- Further, considering the unknown character of COVID, the Company has additionally created management overlay provisions of ₹621 Cr in Q4 FY21 for COVID wave two
- Such provision buffer has resulted in extremely robust coverage ratio for both Stage 1 and 2 assets and Stage 3 assets and unparalleled Net Stage 3 assets position (1.2% as of Mar-21 versus 4.2% as of Mar-20)

Laid strong foundation of healthy balance sheet and profitable growth, aligned with new product/customer focus

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