MAGMA
Investing in the smallest dream

27 August 2020

Corporate Relationship Department,
BSE Limited   **Company Code - 524000**
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001

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

<u>**Sub: Outcome of the Board Meeting held on 27 August 2020**</u>

Dear Sir,

In continuation to our intimation dated 25 August 2020, we would like to inform that the Board of Directors of the Company in a specially convened board meeting held today, looked at options for value creation for the stakeholders and approved the following initiatives to unlock value for its shareholders.

1. Focus on funding high yield products like Used assets i.e., Used Cars/CV/CE and Tractors – used and new, and working capital loans for SMEs, and not underwrite low yield products viz., new Cars, CV and CE.

2. Work towards value enhancement in the affordable housing finance subsidiary, Magma Housing Finance Limited through appropriate reorganization structure, and subject to requisite regulatory and other approvals. In parallel, consider capital raise from financial/strategic investors for funding planned growth of Magma Housing Finance.

3. Work on dilution of Magma group's stake in Magma HDI General Insurance Company Limited (Magma HDI) by fresh capital raise in Magma HDI and/or sale of a part of Magma's stake in Magma HDI, and subject to requisite regulatory and other approvals.

These initiatives are expected to free up capital for future profitable growth and help in stakeholders' value creation. The Board has formed an empowered group comprising of Managing Director, 2 independent directors and an investor observer to oversee the process and recommend to Board on the various value creation proposals and also ensure timely implementation of the initiatives.

This is for your information and record.

Thanking you,
For Magma Fincorp Limited

Shabnum Zaman
Company Secretary