

23 April 2020

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, Phirozejeebhoy Towers
DalalStreet
Mumbai-400001

Company Code:524000

Dear Sir,

Sub: Credit Rating outlook

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

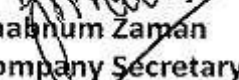
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company wishes to intimate that the Company has received the communication from CARE Ratings Ltd. on 22 April 2020 reaffirming its long- term rating of CARE AA-, for Secured Redeemable Non-convertible Debentures and Unsecured Subordinated Redeemable Non-convertible Debentures and bank facilities of the Company, CARE A1+ for Commercial Paper and CARE A+ for Perpetual Debt with outlook being revised from Stable to Negative in these cases.

Furthermore, CARE has given the following rationale for the Rating:

CARE is of the view that the liquidity profile of the Magma group is significantly supported by its ability to raise funds in the form of debt and will support its growth prospects over near to medium term. However, the revision in outlook is primarily driven by operational challenges in terms of disbursements and collections associated with lockdown due to outbreak of COVID-19 and expected provisions on account of the same, the profitability is likely to remain subdued. Further, the ability to grow the loan book and control credit costs remains to be seen considering the nationwide outbreak and uncertainty with respect to the time expected to be taken in achieving normalcy. The disbursements are likely to remain impacted due to both operational challenges along with cautious approach to manage asset quality and liquidity. Whereas, credit cost is expected to remain high due to probable impact on collections even after moratorium available to customers is over as MFL has major presence in segments like CV/CE, SME and used assets in rural and semi-urban locations with marginal profile of borrowers.

Kindly take the same on record.

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



**Shabnum Zaman
Company Secretary**

Note: Magma Fincorp Limited (MFL) and Magma Housing Finance Limited together referred to as 'Group'.