

16 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 CARE Ratings on 16 February 2021 whereby the rating of the Company's long/short term Bank Facilities (CARE AA- / CARE A1+) has been placed on watch with developing implication.

Furthermore, CARE Ratings has given the following rationale for the same:

CARE is of the view that pursuant to announcement of proposed preferential issue of equity shares of the Company to Rising Sun Holdings Private Limited (RSHPL), a company controlled by Mr. Adar Poonawalla of The Cyrus Poonawalla Group. The preferential allotment proposed is for an aggregate value of Rs.3,456 crore and as part of the transaction the Company proposes to allot 45,80,00,000 shares to RSHPL and 3,57,14,286 shares to Mr. Chamria and Mr. Poddar. Post preferential issue, RSHPL would hold 60% stake in the Company. The proposed capital infusion would be a positive for the group's capitalisation profile. The above transaction is subject to various regulatory approvals and CARE would continue to monitor the developments in this regard and will take a view on the ratings once the transaction is completed and impact on the credit risk profile of the Company including future business strategy is clear.

The ratings also factors in the consolidated profitability, lower borrowing cost with decrease in borrowing expenses and improving m-o-m trend in collection efficiency during 9MFY21. The ratings assigned to MFL continue to draw strength from Magma group's long track record of operations, Experienced management team, wide branch network, geographically and product-wise diversified asset Portfolio, comfortable Capital Adequacy Ratio (CAR) and adequate liquidity profile.

Magma Fincorp Limited
Regd. Office
Development House
24 Park Street, Kolkata 700 016
Tel : 91 7596067886
91 33 44017350
Fax : 91 33 44017428
CIN : L51504WB1978PLC031813
Web: www.magma.co.in



Kindly take the same on record.

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


**Shabnum Zaman
Company Secretary**