

9 November 2017

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

Company Code - 524000

The Manager,
Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol - MAGMA

Sub: Outcome of Board Meeting held on 9 November 2017

Ref: Regulation 30 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir,

This is to inform you that the Board of Directors at its meeting held today i.e. 9 November 2017 has inter alia considered and approved the following:

1. Scheme of Merger of Magma ITL Finance Limited (Wholly Owned subsidiary Company) with Magma Fincorp Limited ('the Company')

In terms of Regulation 30 of the Listing Regulations, the Company makes the following disclosures in relation to the said Merger:

- i. **Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;**

Magma Fincorp Limited (MFL) is the Transferee Company and Magma ITL Finance Limited (MITL) is the Transferor Company.

The Scheme of Merger provides for the merger of MITL into MFL. MITL is a wholly owned subsidiary of MFL. The Appointed Date as mentioned in the Scheme is 1st October 2017. The details of the assets and turnover of both the Companies are as under:



Particulars	(Rs. in lacs)	
	MFL	MITL
Total Assets as on 30 September 2017	1,100,047.07	52,177.65
Total revenue for the half year ended 30 September 2017	96,772.41	4,723.81

ii. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length":

Yes, the merger is between two related parties. However, MCA Circular No. 30/2014 dated 17th July 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, would not attract the requirements of section 188 of the Companies Act, 2013. Further transactions between holding company and its wholly owned subsidiary is also exempt as per Regulation 23(5)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. Area of business of the entity(ies) :

MFL is an NBFC and is engaged in the business of Asset Financing. MITL is also an NBFC and is currently carrying out the business of Tractor financing.

iv. Rationale for amalgamation/ merger:

The rationale for the proposed merger is mentioned below:

- i. To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.
- ii. To achieve cost savings from more focused operational efforts, rationalisation, standardisation and simplification of business processes, productivity improvements and rationalization of administrative expenses.
- iii. The consolidation of activities of the Transferor Company and the Transferee Company by way of merger will lead to operational synergies, greater productivity and economical operations for future growth of the Transferee Company.
- iv. The merger will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will help in increasing the competitiveness of the merged Company.
- v. The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalisation, organisational efficiency and optimal utilisation of resources.



- vi. The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company.
- vii. The banks, creditors and financial institutions, if any, are not adversely affected by the proposed merger as their security and asset cover will be maintained.

v. in case of cash consideration — amount or otherwise share exchange ratio:

As MITL is a wholly owned subsidiary of MFL, there would be no issue of shares by MFL to the shareholders of MITL. The entire paid up share capital in MITL held by MFL (either through itself or through its nominees) shall stand cancelled on the Scheme becoming effective, without any further application of act or deed or cash consideration.

vi. brief details of change in shareholding pattern (if any) of listed entity:

The proposed merger has no effect on the shareholding pattern of the listed entity i.e. MFL.

2. Authorization to raise finance upto an amount not exceeding Rs. 750 crores through issue of Securities in one or more tranches

Approval for raising funds through issuance of equity shares, global depository receipts, american depository receipts, warrants or convertible securities ("Securities") or a combination thereof for an amount not exceeding Rs. 750 crores (Rupees seven hundred and fifty crores only), as applicable, as the Board deems fit, to all eligible investors, by way private placement including by way of a qualified institutional placement, issuance of ADR/GDR/FCCBs, etc.

The Board has also approved obtaining the approval of the shareholders to pass an enabling special resolution under Sections 41, 42, 62, 71 and other applicable provisions of the Companies Act, 2013, by way of a postal ballot.

Please note that since the Company has not yet decided the exact mode of fund raising, certain details including but not limited to name of investors, name of the relevant stock exchange in case of issuance of ADRs/GDRs, proposed number of equity shares underlying the bonds, coupon/interest offered in case of issuance of debt securities, are not determinable by the Company at this stage.

We request you to take this on record and the same be treated as compliance under the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.




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CIN : L51504WB1978PLC031813
Web: www.magma.co.in



You are requested to take note of the same.

Thanking you,

Yours faithfully,
For Magma Fincorp Limited


Shabnum Zaman
Company Secretary
ACS No. 13918