

Magma Fincorp Limited  
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CIN : L51504WB1978PLC031813  
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1 April 2017

The Secretary,  
Corporate Relationship Department  
**BSE Limited**  
25<sup>th</sup> 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)

Dear Sir,

**Sub: Sale of Non-Performing Assets of the Company**

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

This is further to and in continuation of our earlier letter dated 27 February 2017 wherein we had intimated that the Management Committee of the Board of Directors of the Company had approved sale of Non-Performing Assets (NPA) of the Company in one or more tranches from time to time, up to a maximum of Rs. 600 crores. The Company has since completed sale of NPAs amounting to Rs. 594 crores. The said NPA sale will result in reduction in the Standalone Profit after Tax (PAT) by approx. Rs. 125-130 crores.

It is further informed that our subsidiary companies i.e. Magma ITL Finance Limited and Magma Housing Finance have also sold NPAs amounting to Rs. 85 crores. The said NPA sale will result in additional reduction in Consolidated Profit after Tax by approx. Rs. 10-15 crores.

We would further like to inform that we have sold almost entire NPAs greater than 2 years in Asset Backed Finance business. Similarly, we have sold almost entire mortgage NPAs greater than 6 months.

Overall, at a consolidated level, we have completed sale of Non-Performing Assets amounting to a total of Rs. 679 crores. This sale would result in –

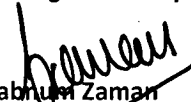
- i. Reduction of Consolidated Profit after Tax (PAT) in the range of Rs. 135-145 crores.
- ii. Reduction of GNPA ratio by 3.6% and the NNPA ratio by 2.1% respectively. The said ratios were 10.5% and 8.1% as at 31<sup>st</sup> December 2016 (without RBI dispensation).

There has not been any significant impact on the Company's Capital Risk Adequacy Ratio (CRAR) as a consequence of NPA sale. CRAR was 19.5% as at 31 December 2016 and is likely to be over 20% as on 31 March 2017.

This is for your information and record.

Thanking You,

Yours faithfully,  
For Magma Fincorp Limited

  
Shabirul Zaman  
Company Secretary  
ACS No. 13918