

Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
Tel : 91 33 4401 7350 / 7200
Fax : 91 33 4401 7313
CIN : L51504WB1978PLC031813
Web: www.magma.co.in



20 June 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 20 June 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,

In continuation to our intimation dated 13 June 2017, this is to inform you that the Board of Directors at its meeting held today i.e. 20 June 2017 has inter alia considered and approve the Scheme of Merger of Magma Advisory Services 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 Advisory Services Limited (MASL) is the Transferor Company.

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

(in Rs. lacs)

Particulars	MFL	MASL
Total Assets as on 1st April 2017	1,139,194.74	22,011.64
Total revenue for the year ended 31st March 2017	202,204.50	96.04



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.

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

MFL is an NBFC and is engaged in the business of Asset Financing. MASL is currently holding the entire issued, subscribed and paid up capital of Magma Housing Finance Limited [Formerly Magma Housing Finance (A Public Company with Unlimited Liability)] (hereinafter Magma Housing Finance), therefore, Magma Housing Finance is, indirectly a step down subsidiary of MFL. In addition to the above, MASL was also engaged in the business of providing services with respect to manpower management, however, the Company is not carrying out business of manpower management since the last quarter.

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. Magma Housing Finance Limited, currently a step-down subsidiary of the Transferee Company, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.
- v. 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 Transferee Company.
- vi. 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.



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- vii. 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.
- viii. 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 MASL is a wholly owned subsidiary of MFL, there would be no issue of shares by MFL to the shareholders of MASL. The entire paid up share capital in MASL held by MFL (either through itself or through its nominees) shall stand cancelled on the Scheme becoming effective (Closing Date) w.e.f. Appointed date, without any further application of act or deed or cash consideration.

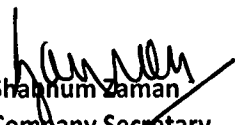
vi. brief details of change in shareholding pattern (if any) of listed entity:

Since MASL is an unlisted company and is a wholly owned subsidiary of MFL, the proposed merger has no effect on the shareholding pattern of MFL, Holding Company.

You are requested to take note of the same.

Thanking you,

Yours faithfully,
For Magma Fincorp Limited


Shaikhum Zaman
Company Secretary
ACS No. 13918