



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



March 30, 2015

The Secretary,
Corporate Relationship Department,
BSE Limited
25th 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: Press Release in respect of issuance of Equity Shares on Preferential basis

Enclosed herewith please find the Press Release in respect of issuance of Equity Shares on Preferential basis.

This is for your information and record.

Thanking You,

Yours faithfully,
For Magma Fincorp Limited

Kailash Baheti
Company Secretary



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Press Release

KKR, Indium and LeapFrog to invest in Magma Fincorp *Rs 500 crore investment to fuel business growth*

Kolkata, India, March 30, 2015 -- Magma Fincorp Ltd. ("Magma") today announced that its Board of Directors have approved preferential allotment of equity shares worth Rs 500 crore (~US\$80 million) to a clutch of investors including KKR; Indium V ("Indium V"), an investment vehicle advised by India Value Fund Advisors ("IVFA"); and LeapFrog Investments ("LeapFrog"). The transaction is subject to customary regulatory approvals.

Indium and LeapFrog, both new investors in the company, will invest Rs 220 crore and Rs 200 crore respectively. KKR, which first invested in Magma in 2011, will inject an additional Rs 80 crore. The company will issue 4.63 crore equity shares at a price of Rs 108 per share (face value of Rs 2 and a premium of Rs 106).

Magma will use the new capital to grow its business and capture opportunities created by India's economic growth and improving financial markets.

"For this round of investment, we have carefully selected partners who are firm believers in India's growth story and believe in Magma's business model, people wealth, asset quality and outstanding customer relationships in the rural and semi-rural India. They are providers of long-term strategic capital that can help Magma attain the next level of growth. This transaction is not just about capital but the foundation of a lasting partnership. While the Mauritius-based LeapFrog Investments is now one of the world's largest impact investment funds, investing in financial services companies across Asia and Africa, Indium V is a premier private equity investment fund focused on India. This will be the second investment by KKR into Magma. All three organisations have rich history of working with the management and building world-class enterprises. All the investors share the long term vision of Magma to create a world class financial services organization. We look forward to their contribution across strategic and operational aspects of the organization. Our existing investors KKR, by retaining their stake in the company, have reaffirmed their belief in the growth prospects of the company", said Mr Sanjay Chamria, Vice Chairman & MD of Magma Fincorp Ltd.

"KKR has been a committed partner to Magma since our original investment. As the Indian economy continues to recover, it has reaffirmed our confidence in the longer-term Indian growth story. We continue to believe that rural and semi-urban financial inclusion will be a key element of this growth and Magma is a unique platform that can actively drive this financial inclusion. We hold the Magma management team in the highest regard and look





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forward to our continued involvement as they grow Magma to new heights", commented Mr Sanjay Nayar, Member & CEO of KKR India.

"Magma has a stellar reputation of transparency in India. This is a long-term investment for Indium in a company which has successfully built a model of financial inclusion through providing equality of opportunity to the disenfranchised. Led by enterprising promoters who have built an impressive platform of sound risk management and credit underwriting capabilities, this investment is re-affirming faith in their winning model. Indium believes that this partnership will help propel the growth in rural and semi-urban segments by promoting consumer credit, agri lending and corporate lending to small-and-medium-scale enterprise", said Mr Vishal Nevatia, Managing Partner of IVFA on behalf of Indium V.

"We chose Magma because we believe in the India growth story and believe that it presents the largest potential for financial returns and social impact. Millions of people in India would like to start a business, or plant a new crop, or send their children to school rather than to work. The Indian rural population wants to grow and that's where Magma has been working for the past two and half decades. The proposed investments will provide Magma with strategic capital and will enable the Company to expand its footprint deeper into these untapped markets, thereby contributing to financial inclusion in India. We hope our investment will give wings to people's dreams and fulfil the aspirations of millions", said Mr Michael Fernandes, Partner at LeapFrog

Ambit Corporate Finance was the exclusive financial advisor and Wadia Ghandy & Co was the legal advisor to Magma.

About Magma Fincorp Ltd.

Magma Fincorp Limited ("Magma") is a non-deposit taking non-banking finance company (NBFC), registered with the Reserve Bank of India (RBI) as an Asset Finance Company. The Company, having started operations over two decades back, is listed on the Bombay Stock Exchange Limited and the National Stock Exchange in India.

Magma provides a bouquet of financial products including financing of Utility Vehicles & Cars, Commercial Vehicles, Construction Equipment, Used Commercial Vehicles, Tractors and SME Loans. It also operates in Affordable Housing Finance and General Insurance segments. Magma has a dedicated base of around 5 Lac active customers. The company operates through 238 branches in 25 states / UT and employs around 10,443 people.

www.magma.co.in





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About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge

funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. Having first invested in the Indian market in 2008, KKR has invested more than US\$3 billion across its Private Equity and Credit businesses in companies including Alliance Tire Group, Avantha Group, Café Coffee Day, Dalmia Cement, Gland Pharma Limited and Magma Fincorp. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com.

About Indium V

Indium commenced its operations in 1999 with a focus on investing in and transforming mid-sized profitable businesses into world-class industry leading businesses and partnering with high quality entrepreneurs and management teams built on a strong foundation of values. Indium V is the fifth India fund in the series. Indium and its manager has been consistently advised by IVFA (www.ivfa.com) and its team led by Mr. Vishal Nevatia. As a manager to India Value Fund series of funds and advisor to Indium, IVFA has built deep knowledge and skills in the Indian markets and has successfully managed and / or advised investment funds with a combined corpus of around US\$ 1.5 billion.

About LeapFrog Investments

LeapFrog Investments is a specialist investor in emerging markets financial services, with over US\$500 million under management. LeapFrog is tapping the growth opportunity presented by two billion emerging consumers in Africa and Asia. Portfolio companies currently provide insurance and other financial services in countries such as India, Sri Lanka, Indonesia, Thailand, Nigeria, Ghana, Kenya and South Africa, among other countries. A pioneer in Profit with Purpose investment, the LeapFrog team draws on decades of operational experience to identify and help build extraordinary companies that deliver top-tier financial and social returns. Today, LeapFrog's partner companies serve 44 million people across 18 countries. LeapFrog's proposed investment in Magma will be the fifth investment announced from the firm's most recent US \$400m private equity fund. For more information please visit www.leapfroginvest.com or follow LeapFrog on Twitter @LeapFrogInvest.

For MAGMA FINCORP LIMITED

Company Secretary