

Magma Fincorp Limited
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May 13, 2010

The Secretary,
Corporate Relationship Department,
Bombay Stock Exchange 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 the Company raising Rs. 122.42 crores through Qualified Institutional Placement.

Enclosed herewith please find the Press Release in respect of Company raising Rs. 122.42 crores through Qualified Institutional Placement.

This is for your information and record.

Thanking You,
Yours faithfully,
For **MAGMA FINCORP LIMITED**


Girish Bhatia
(Company Secretary)

Encl

Press Release

Magma Fincorp Raises Rs 122.42 Crores Through Qualified Institutional Placement

Kolkata, 13th May, 2010: Leading asset finance company, **Magma Fincorp Limited**, raised Rs 122.42 crores through Qualified Institutional Placement (QIP) route to augment their capital requirements considering its growth plans during the ensuing years.

Magma issued 4,067,220 shares at Rs 301/- each to a host of institutional investors who are Qualified Institutional Buyers. Over 90% of the subscription to the issue came from the overseas investors. The allotment of the shares was approved by the Committee of Directors on the 12th May 2010. The company has been growing consistently and has maintained a CAGR of 27% in its disbursements during the past five years. Its foray into the high yield products i.e. Tractor, Used Commercial vehicles is expected to contribute in improved profitability.

“The amount raised will be used to expand Magma’s business across the country keeping in sync with the vision of the company to become India’s largest retail finance company and also to protect and enhance stakeholders interest”, said Mr. Sanjay Chamria, Vice Chairman & Managing Director, Magma Fincorp Limited.

About Magma Fincorp Limited

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.

Magma provides a bouquet of financial products including financing of Utility Vehicles & Cars, Commercial Vehicles, Construction Equipments, Tractors and SME Loans. Magma has a dedicated base of over 2.5 lac customers and has assets under management of approximately INR 9390 crores. The company has 154 branches in 20 states and 1 union territory and employs over 4600 people.

Magma has recently signed a joint venture with HDI Gerling, part of Talanx Group, Germany’s third largest insurance group to start a general insurance company in India. The new company will be head quartered in Kolkata.

www.magma.co.in

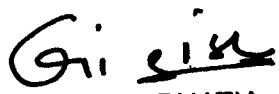
For further information please contact:

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**Certified To Be True Copy
For MAGMA FINCORP LIMITED**



GIRISH BHATIA
Company Secretary