

CHAIRMAN'S PERSPECTIVE

The Magma Version 2.0 vision is to grow our company in a decisive and sustainable way across the foreseeable future



Dear Shareholders

This is my first communication with you following the induction of a new management at the company.

I am excited to be the Chairman of your Company as we embark on Magma 2.0 and have Magma under

the Poonawalla aegis. I am confident that as digital India continues to grow, financial services growth will be even more accelerated.

The Indian retail lending market will continue to offer immense

opportunities in the medium to long-term and we look forward to being a part of this journey. With the capabilities that we have now, of not just reach and market understanding but also of capital and a strong brand, we are poised to leverage the opportunities in India's retail lending space.

There were disturbances in the markets due to the pandemic, but we believe that the current markets are more of an aberration, and that the markets will bounce back fast.

The direction

The new management has outlined a focused direction for the Company.

One, Magma Fincorp will be a professionally run organization under a new leadership team fully supported by the existing leadership.

Two, the Company will seek to capitalize on a large capital base and strong parentage.

Three, the Company will realign its product and geographic focus.

Four, the Company will practice conservative accounting practices, addressing asset quality challenges through accelerated write-offs and prudent provision buffers.

Five, the Company will develop a robust asset-liability match profile.

Six, the Company will continue to invest in best-in-class risk management and data analytics.

I am confident that the interplay of these realities should translate into enhanced value for all stakeholders associated with our company.

Our aspirations

We are driven by the vision of creating India's most trusted

financial services brand.

We seek to touch the lives of our customers by integrating into their ecosystems and emerging as a full-stack financial services provider.

We desire to evolve into a consumer- and MSME-driven company, two areas marked by a growing appetite for timely financing.

We are focused on building a digital-led omnichannel presence.

We intend to stay relevant to transforming external realities through a culture of ongoing innovation resulting in best-in-class solutions to our customers.

Time to execute

The year gone by has been tough, which has bought us a lot of learnings. Now is the time to execute; we have on board a strong and committed leadership team, which is working on executing this vision into a reality. We continue to work with a single objective of building a sustainable business. We are sure that as Covid-19 subsides and the economy continues on a recovery path, businesses with a clear vision, strong foundation, clear focus and strong governance will outperform others, and your company is one of them. We continue to commit towards creating value for all our stakeholders and adhering to the highest standards of corporate governance.

Based on these realities, our vision is to grow Magma in a decisively sustainable way across the foreseeable future.

Yours sincerely,

Adar Poonawalla
Chairman



We desire to evolve into a consumer- and MSME-driven company, two areas marked by a growing appetite for timely financing.