

8 November 2019

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)

Sub: Press Release in respect of Unaudited Financial Results for the quarter and half year ended 30 September 2019

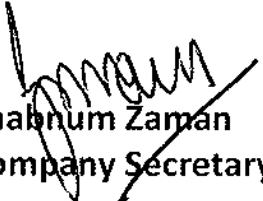
Dear Sir,

Enclosed herewith please find the Press Release on the Performance of the Company for the quarter and half year ended 30 September 2019.

This is for your information and record.

Thanking You,

**Yours faithfully,
For Magma Fincorp Limited**



**Shahnum Zaman
Company Secretary**

Encl: as above

Magma Fincorp Q2FY20 AUM at Rs 16,463 Cr, PAT at Rs 29.5 Cr, GNPAs reduce 230 bps YoY

Mumbai, 8 November 2019: Mumbai-based asset finance company, Magma Fincorp Limited today announced Q2FY20 results. Asset Liability Management and the Liquidity was top priority for the company over disbursement in Q2FY20. The company retired all outstanding commercial papers and replaced the same with better tenor matched instruments during the quarter. The company raised Rs. 2136 crs via term loan, direct assignment & pass through certificates and ended the quarter with over Rs 1900 crs of Liquidity

The company sustained its operational performance in Q2FY20, posting profits of Rs 29.5 cr and Assets under management remained flat YoY at Rs 16,463 cr, due to the conscious slowing of disbursements to maintain adequate liquidity. Gross NPAs declined to 6.4% compared to 8.7% in Q2FY19. Liquidity coupled with replacing short term borrowing with better tenor borrowings led to an increase in cost of funds taking NIMs to 7.9%. The Company controlled its operating expenses at 4.1% vs 4.2% of Assets Under Management (AUM) on YoY basis. The company is further taking deep steps for absolute Opex reduction, which should be visible in ensuing quarters.

In the Vehicle Finance Business, the company's timely focus on used assets, insulated the business to a certain extent from the impact of the slowing new assets demand. In Q2FY20 used vehicles contributed 63% of disbursements and 31% of Vehicle Finance AUM.

Magma Housing Finance, the 100% affordable housing finance subsidiary had a robust quarter, posting 48% YoY growth in home loan disbursements in Q2FY20 and 27% YoY growth in the overall Affordable Housing Finance disbursements. The company has received its first sanction from National Housing Bank during the quarter.

Magma's SME Finance Business focused on quality originations with intensive emphasis on prudent portfolio quality over growth, given the macro-economic conditions which has led to stretched working capital cycle for the segment.

Magma HDI General Insurance, registered a growth of 45.2% YoY in Gross Direct Premium in Q2FY20 and 49.6% in H1FY20, driven by a continued momentum in retail and commercial business verticals. The company continues to enjoy one of the lowest Own Damage Loss ratios in the industry.

Commenting on Magma Fincorp's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "The Company chose to strengthen its liquidity and Asset Liability management at the cost of near term profitability. The company now has comfortable liquidity after retiring all short term liabilities and strong pipeline of funds from diversified lenders. The focus is now on profitable growth by regaining margins on the back of our stated strategy of increasing disbursement in our Used Assets, Mortgage and SME business."



About Magma Fincorp Limited

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

Magma a financial conglomerate offers a bouquet of financial products including commercial finance, agri finance, SME finance and mortgage finance and has a general insurance subsidiary. Magma is focused on the rural and semi-urban sector with a widespread coverage and presence across 312 Branches. Magma customer base has crossed 2.4 million and manages a loan book of Rs 16,463 crores.

For more information please log on to: www.magma.co.in

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