

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



31 January 2019

Corporate Relationship Department  
**BSE Limited**  
25<sup>th</sup> 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: Unaudited Financial Results (Standalone & Consolidated) along with Limited Review Report of the Statutory Auditors on the same for the quarter ended 31 December 2018**

**Ref: Regulation 30, 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

Dear Sir,

This is to inform you that the Board of Directors at its meeting held today i.e. 31 January 2019 has inter alia approved the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended 31 December 2018 which have been prepared in accordance with applicable Indian Accounting Standards (IND AS). The said results has been reviewed by the Audit Committee of the Board. The Board Meeting commenced at 9:00 A.M. and concluded at 11:30 A.M.


Pursuant to Regulation 33 of the Listing Regulations, we are enclosing herewith the Standalone and Consolidated Unaudited Financial Results of the Company along with the Limited Review Report of the Statutory Auditors, M/s B S R & Co., LLP, on the said results for your kind reference and record.

Pursuant to Regulation 30 of the Listing Regulations, please note that the investor's presentation is being sent separately and subsequently the same will be uploaded on the website of the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Magma Fincorp Limited

  
Shabnum Zaman  
Company Secretary  
ACS No. 13918

Encl: as above

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
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## To the Board of Directors of Magma Fincorp Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Magma Fincorp Limited ('the Company'), its subsidiary (collectively referred to as 'the Group') and its joint ventures (Refer Annexure I for the list of subsidiary and joint ventures) for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial information of one subsidiary included in the Statement, whose unaudited financial information reflects total revenue of ₹ 6,498.22 lakhs and ₹ 17,736.31 lakhs for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively. The Statement also includes the Group's share of net profit (and other comprehensive income) of ₹ 375.40 lakhs and ₹ 53.73 Lakhs for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively in respect of one joint venture. These unaudited financial information has been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement, to the extent it has been derived from such unaudited financial information is based solely on the report of such other auditors. Our conclusion is not modified in respect of such matter.

The Statement also includes Group's share of net profit (and other comprehensive income) of ₹ 174.78 lakhs and ₹ 303.78 lakhs for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively in respect of one joint venture whose financial information has not been reviewed by their auditors. The unaudited financial information of this joint venture have been furnished to us by the management and our conclusion on the Statement, to the extent it has been derived from such unaudited financial information in respect of this joint venture is based solely on such Management certified unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these unaudited financial information are not material to the Group. Our conclusion is not modified in respect of such matter.

NA

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016 issued in this regard, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 9 of the Statement regarding the Scheme of Amalgamation ("the Scheme") between Magma ITL Finance Limited (Subsidiary) and the Company sanctioned by the National Company Law Tribunal (NCLT), Kolkata Bench vide its order dated 8 May 2018. The Company has accounted for the Scheme with effect from 1 April 2017, under the pooling of interest method as prescribed by Ind AS 103 'Business Combination'. The accounting treatment is different from that prescribed by the NCLT, which had sanctioned the Scheme with binding effect from 1 October 2017. Had the Company accounted for the aforesaid Scheme with effect from 1 October 2017, the total comprehensive income (net of tax) for the year-to-date period from 1 April 2017 to 31 December 2017 attributable to Shareholders, would have been lower by ₹ 1,325.08 lakhs. This represents total comprehensive income of the Subsidiary attributable to Non-controlling interest. Our conclusion is not modified in respect of this matter.

*for BSR & Co. LLP*  
Chartered Accountants  
Firm Registration Number: 101248W / W-100022



**Manoj Kumar Vijai**  
Partner  
Membership Number: 046882

Place: Mumbai  
Date: 31 January 2019

**Annexure I-List of Subsidiary and Joint Ventures**

1	Magma Housing Finance Limited-Subsidiary
2	Jaguar Advisory Services Private Limited-Joint venture
3	Magma HDI General Insurance Company Limited-Joint Venture

NA



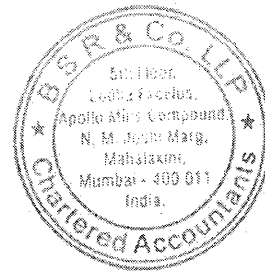
MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018

(₹ in lakhs)

Particulars	Quarter Ended			Year to Date		Year Ended
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1 Revenue</b>						
(a) Revenue from operations	62,473.06	62,428.61	57,404.73	183,519.69	175,622.65	234,229.29
(b) Other income	919.40	1,501.80	493.30	4,376.21	3,243.26	3,753.04
<b>Total revenue</b>	<b>63,392.46</b>	<b>63,930.41</b>	<b>57,898.03</b>	<b>187,895.90</b>	<b>178,865.91</b>	<b>237,982.33</b>
<b>2 Expenses</b>						
(a) Employee benefits expenses	11,120.51	10,640.60	9,418.81	32,738.26	27,109.20	36,803.34
(b) Finance costs	28,692.21	27,451.25	27,554.13	82,649.96	85,146.70	111,808.33
(c) Depreciation and amortisation expense	1,204.49	1,244.98	1,185.33	3,663.89	3,640.20	4,922.45
(d) Loan loss provisions and bad debts written-off	5,252.37	8,740.56	9,390.36	22,449.99	33,405.39	36,729.24
(e) Other expenses	5,165.17	5,169.56	4,440.95	14,882.87	13,122.68	18,821.11
<b>Total expenses</b>	<b>51,434.75</b>	<b>53,246.95</b>	<b>51,989.58</b>	<b>156,384.97</b>	<b>162,424.17</b>	<b>209,084.47</b>
<b>3 Profit before share of profit of joint ventures and tax (1-2)</b>	<b>11,957.71</b>	<b>10,683.46</b>	<b>5,908.45</b>	<b>31,510.93</b>	<b>16,441.74</b>	<b>28,897.86</b>
<b>4 Share of profit/(loss) of joint ventures</b>	<b>(273.42)</b>	<b>(291.79)</b>	<b>76.00</b>	<b>231.57</b>	<b>194.96</b>	<b>186.82</b>
<b>5 Profit from ordinary activities before tax (3+4)</b>	<b>11,684.29</b>	<b>10,391.67</b>	<b>5,984.45</b>	<b>31,742.50</b>	<b>16,636.70</b>	<b>29,084.68</b>
<b>6 Tax expense</b>						
(a) Current tax - current year	641.49	670.82	2,010.84	5,100.15	7,287.66	10,449.00
- earlier year	165.00	-	-	165.00	-	-
(b) Deferred tax	3,479.23	2,061.13	(510.24)	4,606.69	(6,336.44)	(5,053.09)
<b>Total tax expense</b>	<b>4,285.72</b>	<b>2,731.95</b>	<b>1,500.60</b>	<b>9,871.84</b>	<b>951.22</b>	<b>5,395.91</b>
<b>7 Net Profit from ordinary activities after tax (5-6)</b>	<b>7,398.57</b>	<b>7,659.72</b>	<b>4,483.85</b>	<b>21,870.66</b>	<b>15,685.48</b>	<b>23,688.77</b>
<b>8 Other comprehensive income</b>						
(a) (i) Items that will not be reclassified to profit and loss	(115.70)	9.13	(50.85)	(175.04)	(152.55)	(36.79)
(ii) Income tax relating to items that will not be reclassified to profit and loss	38.67	(2.98)	17.60	61.45	39.20	10.60
(b) (i) Items that will be reclassified to profit and loss	289.45	(178.74)	(464.79)	121.30	647.95	610.53
(ii) Income tax relating to items that will be reclassified to profit and loss	160.27	60.59	(31.36)	19.92	(293.58)	(314.03)
<b>Total other comprehensive income</b>	<b>372.69</b>	<b>(112.00)</b>	<b>(529.40)</b>	<b>27.63</b>	<b>241.02</b>	<b>270.31</b>
<b>9 Total comprehensive income for the period (7+8)</b>	<b>7,771.26</b>	<b>7,547.72</b>	<b>3,954.45</b>	<b>21,898.29</b>	<b>15,926.50</b>	<b>23,959.08</b>
<b>10 Total comprehensive income for the period attributable to</b>						
(a) Owners of the Company	7,771.26	7,547.72	3,954.45	21,898.29	15,926.50	23,959.08
(b) Non-controlling interests	-	-	-	-	-	-
<b>11 Net Profit from ordinary activities after tax attributable to</b>						
(a) Owners of the Company	7,398.57	7,659.72	4,483.85	21,870.66	15,685.48	23,688.77
(b) Non-controlling interests	-	-	-	-	-	-
<b>12 Other comprehensive income attributable to</b>						
(a) Owners of the Company	372.69	(112.00)	(529.40)	27.63	241.02	270.31
(b) Non-controlling interests	-	-	-	-	-	-
<b>13 Paid-up equity share capital (Face value of ₹ 2/- each)</b>	<b>5,386.03</b>	<b>5,385.73</b>	<b>4,739.47</b>	<b>5,386.03</b>	<b>4,739.47</b>	<b>4,740.57</b>
<b>14 Earnings per share (not annualised)</b>						
(a) Basic (in ₹)	2.75	2.84	1.89	8.16	6.62	10.00
(b) Diluted (in ₹)	2.73	2.83	1.89	8.10	6.60	9.97

See accompanying notes to the financial results





MAGMA FINCORP LIMITED

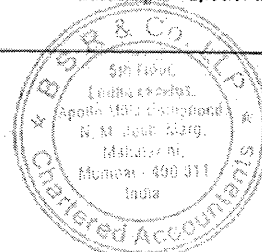
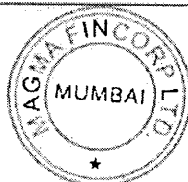
Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018

Notes :

- The financial results of Magma Fincorp Limited ("the Company"), its subsidiary and its joint ventures (collectively referred to as 'the Group') have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company has adopted Ind AS from 01 April 2018 with the effective transition date of 01 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - 'Interim Financial Reporting'. Such transition has been carried out in line with the relevant exemptions provided under Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as the "Previous GAAP").  
These financial results for the current and previous periods may require adjustments due to any change in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or any change in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- The consolidated financial results have been reviewed by the Audit Committee in their meeting held on 30 January 2019 and approved by the Board of Directors of the Company in their meeting held on 31 January 2019.
- The consolidated financial results have been subjected to limited review by the statutory auditors of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The reports of the statutory auditors are unqualified.
- In accordance with Regulation 33 of the Listing Regulations, the Group shall publish consolidated financial results. The review report of the Statutory Auditors and financial results shall be filed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and shall be available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- The consolidated financial results have been prepared in accordance with the Ind AS 110 (Consolidated Financial Statements) and Ind AS 111 (Joint Arrangements) and comprise of the financial results of Magma Fincorp Limited, its subsidiary, Magma Housing Finance Limited ('MHFL') (Formerly Magma Housing Finance (A Public Company with Unlimited Liability)) and its joint ventures, Magma HDI General Insurance Co Ltd and Jaguar Advisory Services Private Limited. The joint ventures were earlier consolidated on proportionate method under the Previous GAAP and are now consolidated using the equity accounting method under Ind AS.
- The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Group is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108.
- As required by para 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

Particulars	(₹ in lacs)		
	Quarter ended	Year to Date	Year ended
	31 December 2017	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)
1 Net profit as per Previous GAAP	6,502.00	15,894.68	23,042.41
2 Adjustments resulting in increase / (decrease) in profit after tax as reported under Previous GAAP :			
(a) Impact on application of Expected Credit Loss method for loan loss provisions	(310.12)	(3,818.60)	1,800.16
(b) Impact on derecognition of loans sold under assignment transaction	(938.27)	(1,859.00)	(655.63)
(c) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method	(1,872.78)	(3,653.79)	(5,381.14)
(d) Fair valuation of financial assets and liabilities carried through profit and loss	(165.19)	1,849.23	1,512.48
(e) Others	49.91	163.25	50.95
(f) Tax impact on above adjustments	1,218.30	7,109.71	3,319.54
3 Net profit as per Ind AS (1+2)	4,483.85	15,685.46	23,688.77
4 Other comprehensive income, net of taxes	(529.40)	241.02	270.31
5 Total comprehensive income (3+4)	3,954.45	15,926.50	23,959.08

- During the previous year, the Central Government had passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of Magma Advisory Services Limited ('MASL'), a wholly owned subsidiary, with the Company with effect from 01 April 2017, being the Appointed date. Further by virtue of the said merger, Magma Housing Finance Limited ('MHFL') (a wholly owned subsidiary of MASL and step down subsidiary of the Company) had become a direct wholly owned subsidiary of the Company.
- During the previous year, the Company had acquired 26% equity shares of Magma IFL Finance Limited ('MITL') from International Tractors Limited ('ITL') (Joint Venture Partner). Pursuant to the said acquisition, MITL became a wholly owned subsidiary of the Company. Subsequently, the Board of Directors and Shareholders of the Company at their meeting held on 09 November 2017 and 17 February 2018 respectively, had approved the Scheme of Merger under Section 230 - 232 of the Companies Act, 2013 read with Section 233 and read with Rules made thereunder (the 'Scheme') for merger of MITL with the Company with effect from 01 October 2017, being the Appointed date as provided in the Scheme. The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT), had vide its order dated 08 May 2018 approved the Scheme. This being a common control business combination under Ind AS 103, the financial results in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period. Accordingly, the financial results for the nine month ended 31 December 2017 have been restated as if the business combination had occurred with effect from 01 April 2017. Had the Company accounted for the aforesaid Scheme with effect from 01 October 2017, the total comprehensive income (net of tax) for year-to-date period from 01 April 2017 to 31 December 2017, attributable to Shareholders would have been lower by ₹ 1,325.08 lacs. Further, the Company has recognized the relevant deferred tax adjustments in the nine month ended 31 December 2017 amounting to ₹ 2,758.17 lacs, in accordance with Ind AS 103 - 'Business Combinations' and Ind AS 12 - 'Income Taxes'.





**MAGMA FINCORP LIMITED**

**Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018**

- 10] During the quarter, the Nomination and Remuneration Committee through Resolution by Circulation passed on 8 November 2018 has allotted 15,000 equity shares of the face value of ₹ 2/- each to an erstwhile eligible employee of the Company under Employee Stock Option Plan pursuant to SEBI (ESOS and ESPS) Guidelines, 1999, and with corresponding provision of SEBI (Share Based Employee Benefits) Regulations 2014, as amended from time to time. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 26,93,01,736 equity shares of ₹ 2/- each aggregating to ₹ 5,386.03 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 11] The Shareholders at their Annual General Meeting held on 02 August 2018 approved the payment of equity dividend @40% i.e. ₹ 0.80 per equity share of ₹ 2/- each for the financial year 2017-18. The Company has accordingly paid the equity dividend (including taxes) aggregating to ₹ 2,597.11 lacs to the shareholders appearing as on record date.
- 12] During the quarter ended 30 June 2018, the Company has allotted 3,22,58,064 equity shares of face value of ₹ 2/- each to Qualified Institutional Buyers, aggregating to approximately ₹ 50,000 lacs, including premium of ₹ 153/- per share under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and Companies Act, 2013 read with relevant rules thereunder and other applicable provisions. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 26,92,86,736 equity shares of ₹ 2/- each aggregating to ₹ 5,385.73 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 13] During the quarter, the Company has subscribed to 51,38,889 equity shares of ₹ 10/- each at a price of ₹ 40/- each (including a premium of ₹ 30/- each) of Magma HDI General Insurance Company Limited, a Joint Venture Company aggregating ₹ 2,055.56 lacs on right issue basis and the shares have been allotted as fully paid up.
- 14] Pursuant to the approval of the Board of Directors of the Company in their meeting held on 02 November 2018 and Management Committee of the Board on 15 January 2019, the Company has filed a Draft Shelf Prospectus with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 15 January 2019, for a public issue of 100 lacs secured redeemable non-convertible debentures ('NCD') of ₹ 1,000 each aggregating up to ₹ 1,00,000 lacs and received in principle approval on 23 January 2019. The NCDs will be issued in one or more tranches, on terms and conditions as set out in separate tranche prospectus(es) for each tranche issue.
- 15] The listed Non Convertible Debentures of the Group as on 31 December 2018 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 16] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information)

Particulars		Quarter Ended			Year to Date		Year Ended
		31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Total income from operations	57,123.97	58,028.94	52,893.02	170,389.32	161,794.76	214,989.66
2	Profit before tax	10,526.59	9,432.45	4,751.32	27,739.37	12,108.43	23,708.70
3	Profit for the period	6,657.13	7,058.26	3,643.89	18,861.01	12,657.49	20,122.54
4	Total comprehensive income for the period	6,553.42	6,823.21	3,459.70	18,787.38	12,720.37	20,127.33

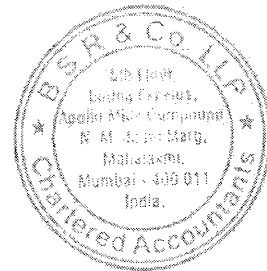
17] Previous year's / year-to-date period /quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board  
For Magma Fincorp Limited

Sanjay Chamria  
Vice Chairman and Managing Director  
DIN No.: 00009894

Place : Mumbai  
Dated : 31 January 2019

Corporate Office : Equinox Business Park, 2nd Floor, Tower 3, Off BKC, LBS Marg, Kurla West, Mumbai - 400 070  
Registered Office : Magma House, 24 Park Street, Kolkata - 700 016  
Website : www.magma.co.in; CIN : L51504WB1978PLC031813  
Phone: 033-4401 7200/350, Fax: 033-4402 7731; E-mail: shabnum.zaman@magma.co.in



# BSR & Co. LLP

Chartered Accountants

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Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## To the Board of Directors of Magma Fincorp Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Magma Fincorp Limited ('the Company') for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016 issued in this regard, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 8 of the Statement regarding the Scheme of Amalgamation ('the Scheme') between Magma ITL Finance Limited (Subsidiary) and the Company sanctioned by the National Company Law Tribunal (NCLT), Kolkata Bench vide its order dated 8 May 2018. The Company has accounted for the Scheme with effect from 1 April 2017, under the pooling of interest method as prescribed by Ind AS 103 'Business Combination'. The accounting treatment is different from that prescribed by the NCLT, which had sanctioned the Scheme with binding effect from 1 October 2017. Had the Company accounted for the aforesaid Scheme with effect from 1 October 2017, the 'Other Equity' as at 1 April 2017 would have been lower by ₹ 2,482.94 Lakhs and the total comprehensive income (net of tax) for year-to-date period from 1 April 2017 to 31 December 2017 would have been lower by ₹ 5,096.45 Lakhs. Our conclusion is not modified in respect of this matter.

for BSR & Co. LLP  
Chartered Accountants

Firm Registration Number: 101248W / W-100022



Manoj Kumar Vijai  
Partner

Membership Number: 046882

Place: Mumbai  
Date: 31 January 2019

BSR & Co (a partnership firm with  
Registration No. BA61223) converted into  
BSR & Co. LLP (a Limited Liability Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011, India





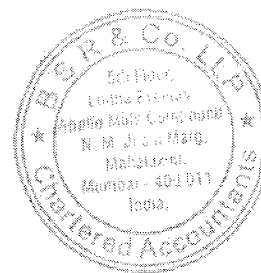
**MAGMA FINCORP LIMITED**

**Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018**

(₹ in lacs)

Particulars	Quarter ended			Year to Date		Year ended
	31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>						
(a) Revenue from operations	56,394.77	56,598.63	52,434.33	166,339.39	158,755.69	211,459.46
(b) Other income	729.20	1,430.31	458.69	4,049.93	3,039.07	3,530.20
<b>Total revenue</b>	<b>57,123.97</b>	<b>58,028.94</b>	<b>52,893.02</b>	<b>170,389.32</b>	<b>161,794.76</b>	<b>214,989.66</b>
<b>Expenses</b>						
(a) Employee benefits expenses	9,755.10	9,346.17	8,514.06	28,878.20	24,387.92	33,059.77
(b) Finance costs	25,981.59	24,898.10	25,015.19	74,958.51	77,081.93	101,314.83
(c) Depreciation and amortisation expense	1,196.83	1,237.26	1,179.42	3,642.24	3,622.46	4,898.60
(d) Loan loss provisions and bad debts written-off	5,133.55	8,503.76	9,384.70	22,016.73	32,565.37	34,741.91
(e) Other expenses	4,530.31	4,611.20	4,048.33	13,154.27	12,028.65	17,265.85
<b>Total expenses</b>	<b>46,597.38</b>	<b>48,596.49</b>	<b>48,141.70</b>	<b>142,649.95</b>	<b>149,686.33</b>	<b>191,280.96</b>
<b>Profit from ordinary activities before tax (1-2)</b>	<b>10,526.59</b>	<b>9,432.45</b>	<b>4,751.32</b>	<b>27,739.37</b>	<b>12,108.43</b>	<b>23,708.70</b>
<b>Tax expense</b>						
(a) Current tax- current year	648.96	(197.87)	1,565.23	4,007.93	6,073.19	8,758.39
- earlier year	165.00			165.00		
(b) Deferred tax	3,055.50	2,572.06	(457.80)	4,705.43	(6,622.25)	(5,172.23)
<b>Total tax expense</b>	<b>3,869.46</b>	<b>2,374.19</b>	<b>1,107.43</b>	<b>8,878.36</b>	<b>(549.06)</b>	<b>3,586.16</b>
<b>Net Profit from ordinary activities after tax (3-4)</b>	<b>6,657.13</b>	<b>7,058.26</b>	<b>3,643.89</b>	<b>18,861.01</b>	<b>12,657.49</b>	<b>20,122.54</b>
<b>Other comprehensive income</b>						
(a) (i) Items that will not be reclassified to profit and loss	(115.24)	5.15	(55.53)	(185.48)	(166.59)	(73.10)
(ii) Income tax relating to items that will not be reclassified to profit and loss	38.52	(1.80)	19.22	63.06	44.06	12.70
(b) (i) Items that will be reclassified to profit and loss	(42.56)	(366.46)	(226.14)	73.92	283.54	100.69
(ii) Income tax relating to items that will be reclassified to profit and loss	15.57	128.06	78.26	(25.13)	(98.13)	(35.50)
<b>Total other comprehensive income</b>	<b>(103.71)</b>	<b>(235.05)</b>	<b>(184.19)</b>	<b>(73.63)</b>	<b>62.88</b>	<b>4.79</b>
<b>Total comprehensive income for the period (5+6)</b>	<b>6,553.42</b>	<b>6,823.21</b>	<b>3,459.70</b>	<b>18,787.38</b>	<b>12,720.37</b>	<b>20,127.33</b>
<b>Paid-up equity share capital (Face value of ₹ 2/- each)</b>	<b>5,386.03</b>	<b>5,385.73</b>	<b>4,739.47</b>	<b>5,386.03</b>	<b>4,739.47</b>	<b>4,740.57</b>
<b>Earnings per share (not annualised)</b>						
(a) Basic (in ₹)	2.47	2.62	1.54	7.04	5.34	8.49
(b) Diluted (in ₹)	2.45	2.61	1.53	6.99	5.33	8.47

See accompanying notes to the financial results





**MAGMA FINCORP LIMITED**

**Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018**

**Notes :**

- The financial results of Magma Fincorp Limited (the "Company") have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment) Rules, 2016. The Company has adopted Ind AS from 01 April 2018 with the effective transition date of 01 April 2017 and accordingly these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - 'Interim Financial Reporting'. Such transition has been carried out in line with the relevant exemptions provided under Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' from the erstwhile Accounting Standards notified under the Act read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as the "Previous GAAP"). These financial results for the current and previous periods may require adjustments due to any change in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or any change in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- The standalone financial results have been reviewed by the Audit Committee in their meeting held on 30 January 2019 and approved by the Board of Directors of the Company in their meeting held on 31 January 2019.
- The standalone financial results have been subjected to limited review by the statutory auditors of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The reports of the statutory auditors are unqualified.
- The review report of the Statutory Auditors and financial results shall be filed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and shall be available on the Company's website www.magma.co.in or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108.
- As required by para 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

Particulars	(₹ in lacs)		
	Quarter ended	Year to Date	Year ended
	31 December 2017	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)
1 Net profit as per Previous GAAP	4,738.35	12,332.73	20,348.94
2 Adjustments resulting in increase / (decrease) in profit after tax as reported under Previous GAAP :			
(a) Impact on application of Expected Credit Loss method for loan loss provisions	(748.34)	(4,226.22)	1,358.70
(b) Impact on derecognition of loans sold under assignment transaction	(652.95)	(2,286.20)	(1,737.97)
(c) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method	(1,823.18)	(3,579.15)	(5,259.00)
(d) Fair valuation of financial assets and liabilities carried through profit and loss	(81.52)	1,590.38	1,279.17
(e) Merger of entities under common control	932.54	1,930.35	271.24
(f) Others	55.53	165.69	72.20
(g) Tax impact on above adjustments	1,223.46	6,729.91	3,889.26
3 Net profit as per Ind AS (1+2)	3,643.89	12,657.49	20,122.54
4 Other comprehensive income, net of taxes	(184.19)	62.88	4.79
5 Total comprehensive income (3+4)	3,459.70	12,720.37	20,127.33

- During the previous year, the Central Government had passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of Magma Advisory Services Limited ('MASL'), a wholly owned subsidiary, with the Company with effect from 01 April 2017, being the Appointed date. By virtue of the said merger, Magma Housing Finance Limited ('MHFL') (a wholly owned subsidiary of MASL and step down subsidiary of the Company) had become a direct wholly owned subsidiary of the Company.
- During the previous year, the Company had acquired 26% equity shares of Magma IITL Finance Limited ('MITL') from International Tractors Limited ('ITL') (Joint Venture Partner). Pursuant to the said acquisition, MITL became a wholly owned subsidiary of the Company. Subsequently, the Board of Directors and Shareholders of the Company at their meeting held on 09 November 2017 and 17 February 2018 respectively, had approved the Scheme of Merger under Section 230 - 232 of the Companies Act, 2013 read with Section 233 and read with Rules made thereunder (the Scheme) for merger of MITL with the Company with effect from 01 October 2017, being the Appointed date as provided in the Scheme. The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT), had vide its order dated 08 May 2018 approved the Scheme. This being a common control business combination under Ind AS 103, the financial results in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period. Accordingly, the financial results for the nine month ended 31 December 2017 have been restated as if the business combination had occurred with effect from 01 April 2017. Had the Company accounted for the aforesaid Scheme with effect from 01 October, 2017, the 'Other Equity' would have been lower by ₹ 2,482.94 lacs as at 01 April 2017 and the total comprehensive income for year-to-date period from 01 April 2017 to 31 December 2017 would have been lower by ₹ 5,096.45 lacs. Further, the Company has recognized the relevant deferred tax adjustments in the nine month ended 31 December 2017 amounting to ₹ 2,758.17 lacs, in accordance with Ind AS 103 - 'Business Combinations' and Ind AS 12 - 'Income Taxes'.





**MAGMA FINCORP LIMITED**

**Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2018**

- 9] During the quarter, the Nomination and Remuneration Committee through Resolution by Circulation passed on 8 November 2018 has allotted 15,000 equity shares of the face value of ₹ 2/- each to an erstwhile eligible employee of the Company under Employee Stock Option Plan pursuant to SEBI (ESOS and ESOP) Guidelines, 1999 and with corresponding provision of SEBI (Share Based Employee Benefits) Regulations 2014, as amended from time to time. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 26,93,01,736 equity shares of ₹ 2/- each aggregating to ₹ 5,386.03 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 10] The Shareholders at their Annual General Meeting held on 02 August 2018 approved the payment of equity dividend @40% i.e. ₹ 0.80 per equity share of ₹ 2/- each for the financial year 2017-18. The Company has accordingly paid the equity dividend (including taxes) aggregating to ₹ 2,597.11 lacs to the shareholders appearing as on record date.
- 11] During the quarter ended 30 June 2018, the Company has allotted 3,22,58,064 equity shares of face value of ₹ 2/- each to Qualified Institutional Buyers, aggregating to approximately ₹ 50,000 lacs, including premium of ₹ 153/- per share under Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and Companies Act, 2013 read with relevant rules thereunder and other applicable provisions. Consequent to the said allotment, the total paid-up equity share capital of the Company stands increased to 26,92,86,736 equity shares of ₹ 2/- each aggregating to ₹ 5,385.73 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 12] During the quarter, the Company has subscribed to 51,38,889 equity shares of ₹ 40/- each at a price of ₹ 40/- each (including a premium of ₹ 30/- each) of Magma HDI General Insurance Company Limited, a Joint Venture Company aggregating ₹ 2,055.56 lacs on right issue basis and the shares have been allotted as fully paid up.
- 13] Pursuant to the approval of the Board of Directors of the Company in their meeting held on 02 November 2018 and Management Committee of the Board on 15 January 2019, the Company has filed a Draft Shelf Prospectus with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 15 January 2019, for a public issue of 100 lacs secured redeemable non-convertible debentures ('NCD') of ₹ 1,000 each aggregating up to ₹ 1,00,000 lacs and received in principle approval on 23 January 2019. The NCDs will be issued in one or more tranches, on terms and conditions as set out in separate tranche prospectus(es) for each tranche issue.
- 14] The listed Non Convertible Debentures of the Company as on 31 December 2018 are secured by exclusive charge on standard receivables of the Company and also by a subservient charge over certain immovable properties. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 15] Previous year's / year-to-date period / quarter's figures have been regrouped and rearranged wherever necessary.

Member of the Board  
for Magma Fincorp Limited

Vice Chairman and Managing Director  
DIN No. 00000000

Place: Mumbai  
Dated: 31 January 2019

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