



Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
T: 91 33 4401 7350 / 7200
F: 91 33 2264 7424, 4402 7727
E: magma@magma.co.in

WEBSITE: www.magma.co.in
CIN:L51504WB1978PLC031813



15 August 2016

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 ended 30 June 2016

Dear Sir,

Enclosed herewith please find the Press Release on the performance of the Company for the quarter ended 30 June 2016.

This is for your information and record.

Thanking You,

**Yours faithfully,
For Magma Fincorp Limited**

Sd/-

**Shabnum Zaman
Company Secretary
ACS No. 13918
Address:
80B, Dr. Sudhir Bose Road
Kolkata – 700 023**

Encl: as above



PRESS RELEASE

Magma Fincorp Ltd. – Q1 FY 17 highlights

PBT up 14% to Rs 65.4 crore

PAT at 47.6 crore, NIM up 48 bps to 6.9%

Kolkata, 15 August 2016: Leading asset finance company, Magma Fincorp Limited announced the Q1 FY17 unaudited results that reflected a steady performance for the company in this quarter. While the Asset Backed Financing (ABF) business witnessed disbursement growth of 12% yoy, SME lending recorded a robust 25% increase. Consolidated Net Interest Margins (NIMs) grew 48 bps to 6.9% against 6.4% of Q1 FY16. The growth in NIM coupled with an increase in fresh business and better management of opex contributed to Profit Before Tax (PBT) of Rs 65.4 crore, against 57.2 crore in the corresponding period last year. The Company has recorded Profit After Tax of Rs 47.6 crore, up 2%. The Company had Assets under Management of Rs 17796 crore as on 30 June 2016.

Magma continues to focus on agriculture (tractors), used assets and burgeoning SME segments. In mortgages, it has successfully reduced ticket size and its reach into its target segment, the informal customer segment in tier towns. These four segments now contribute 62% of total disbursals and 59% of total loan book. It is helping the Company to diversify the risk and increase the margins.

Commenting on the performance, Mr. Sanjay Chamria, Vice Chairman & MD, Magma Fincorp said, the new organization structure built to bring greater local focus and rolled out in Dec 2015 enables Magma's presence in 1900 talukas in 400 districts and with our cutting edge technology brings about a high level of efficiencies and more effective customer connect.

Magma's credit cost at Rs 88 crs is flat year on year with improving collections. The marginal increase in gross NPA and net NPA at 8.7% and 6.9% on 120dpd is largely due to seasonally weak quarter. NPAs and write-offs have almost peaked with net accretion slowing down significantly over the last two quarters. Higher recoveries are expected from October onwards.

Board Reconstitution and Expansion

Following Mr. Mayank Poddar's desire to relinquish his position as Chairman, the board reluctantly accepted his stepping down. The board acknowledged and appreciated Mr. Poddar's huge contribution as Founder and co-promoter of Magma in building the company over many years to reach its pre-eminent position in the Indian rural market place. The board wanted Mr. Poddar's immense knowledge in legal and other areas to be available to the company and requested him to accept the position of Chairman Emeritus and continue as a director on the board of the company, which he accepted.

The Board then unanimously elected Mr. Narayan K. Seshadri, who has been on the board, as Chairman of the company. The board recognizing Mr. Seshadri's knowledge of the sector and the company believes that

with his active participation in the governance of the company, would play an important role in steering the company with the help of the board in times of increased competitive pressures arising from new and emerging technology driven business models.

Mr. VK Viswanathan, who serves on the Board of various companies including Bosch, Bharti Airtel, HDFC Standard Life insurance Company was appointed as an additional independent director in place of Mr S Singhvi who resigned. Mr. Viswanathan with his vast experience in various sectors is believed to enhance the governance of the company and bring new insights to its business.

Mr. Mayank Poddar, Chairman Emeritus said, the board by electing Mr. Seshadri has made a right choice and having closely worked with him on the board, I believe Magma's board governance will stand enhanced. Further addition of Mr Viswanathan as independent director and Mr Seshadri's elevation as the Chairman will enable the board to engage with the management team and contribute towards building a more robust and sustainable business in current volatile and exciting business environment.

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. 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 and manages a Loan book of Rs 17796 crore. The company has 257 branches in 22 states and employs around 8980 people.

www.magma.co.in