

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



5 April 2018

The National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Symbol: MAGMA

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 524000

Dear Sirs,

Sub: Approval of the condensed standalone and consolidated financial statements for the nine months ended on 31 December, 2017

We wish to inform you that the Directors of the Company vide a circular resolution passed today have approved the unaudited special purpose interim condensed standalone and consolidated financial statements comprising the following:

1. Interim Condensed Standalone and Consolidated Statement of Profits and Loss for the nine months period ended December 31, 2017;
2. Interim Condensed Standalone and Consolidated Balance Sheet as at December 31, 2017; and
3. Interim Condensed Standalone and Consolidated Cash Flow Statement for the nine months period ended December 31, 2017;

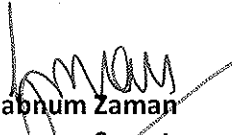
The aforesaid financials were prepared for the purpose of the proposed Qualified Institutions Placement as approved by the Board of Directors on 9 November, 2017 and duly recommended by the Audit Committee of the Board. A copy each of the above, as approved by the Directors is enclosed for your information and record.

Further, we are also forwarding herewith a copy of the Auditors' Report, received from our Statutory Auditors, BSR & Co. LLP on the above condensed financial statements.

We request you to disseminate the above information on your website. Thanking You.

Yours faithfully,

For Magma Fincorp Limited


Shabnum Zaman
Company Secretary
ACS: 13918

End: a/a

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
Fax +91 (22) 4345 5399

Report on Review of Interim Condensed Standalone Financial Statements

To the Board of Directors of
Magma Fincorp Limited

Introduction

We have reviewed the accompanying interim condensed standalone Balance Sheet of Magma Fincorp Limited ('the Company') as at 31 December 2017, and the related interim condensed standalone Statement of Profit and Loss, interim condensed standalone Cash Flow Statement and selected explanatory notes for the 9 month period then ended (collectively hereinafter referred as the "Interim Condensed standalone Financial Statements"). Management is responsible for the preparation and presentation of this interim condensed standalone financial statements in accordance with Accounting Standard 25 "Interim Financial Reporting" ("AS 25") specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim condensed standalone financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim condensed standalone financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed standalone financial statements is not prepared, in all material respects, in accordance with Accounting Standard 25 "Interim Financial Reporting" ("AS 25") specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.



Report on Review of Interim Condensed Standalone Financial Statements (Continued)

Restriction on use

We refer to note 2, Basis of preparation of interim condensed standalone financial statements. This report is intended solely for the use of the Company in connection with the proposed offerings of the equity shares pursuant to the Qualified Institutions Placement (QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company's equity shares are listed and the Securities and Exchange Board of India (SEBI). This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number: 101248W / W-100022



Manoj Kumar Vijai
Partner

Membership number: 046882

Place: Mumbai
Date : 5 April 2018

MAGMA FINCORP LIMITED

Interim Condensed Standalone Balance Sheet

(₹ in Laacs)

	As at 31 December 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	4,739.47	4,739.19
Reserves and surplus	200,238.30	199,050.19
	<u>204,977.77</u>	<u>203,789.38</u>
Non-current liabilities		
Long-term borrowings	224,476.09	238,677.37
Long-term provisions	25,400.61	18,534.81
	<u>249,876.70</u>	<u>257,212.18</u>
Current liabilities		
Short-term borrowings	509,472.06	487,335.75
Trade payables		
- Due to micro and small enterprises	-	-
- Due to others	30,319.06	18,307.40
Other current liabilities	128,580.84	171,123.45
Short-term provisions	2,329.68	1,426.58
	<u>670,701.64</u>	<u>678,193.18</u>
Total	<u>1,125,556.11</u>	<u>1,139,194.74</u>
ASSETS		
Non-current assets		
Fixed assets		
- Tangible assets	16,860.65	18,315.31
- Intangible assets	2,659.37	2,779.78
- Capital work-in-progress	567.90	548.90
	<u>20,087.92</u>	<u>21,643.99</u>
Non-current investments	48,024.73	53,284.47
Deferred tax assets (net)	1,136.42	1,971.67
Long-term loans and advances		
- Assets on finance	611,897.48	605,715.07
- Others	17,635.52	18,768.54
Other non-current assets	11,567.66	16,913.69
	<u>710,349.73</u>	<u>718,297.43</u>
Current assets		
Current investments	6,508.28	4,737.23
Trade receivables	702.03	643.21
Cash and bank balances	36,822.64	27,249.11
Short-term loans and advances		
- Assets on finance	359,914.44	376,890.14
- Others	4,368.96	3,412.68
Other current assets	6,890.03	7,964.94
	<u>415,206.38</u>	<u>420,897.31</u>
Total	<u>1,125,556.11</u>	<u>1,139,194.74</u>

The selected explanatory notes form an integral part of the interim condensed standalone financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For BSR & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022

Narayan B. Seshadri
Chairman
[DIN: 00053563]

Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]

Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018

Kailash Baheti
Chief Financial Officer
Mumbai, 05 April 2018

Shabnum Zaman
Company Secretary
Kolkata, 05 April 2018

MAGMA FINCORP LIMITED

Interim Condensed Standalone Statement of Profit and Loss

(₹ in Lacs)

	Period ended 31 December 2017 (Unaudited)
REVENUE	
Revenue from operations	142,908.46
Other income	4,750.15
Total revenue	147,658.61
EXPENSE	
Employee benefits expense	23,633.83
Finance costs	58,600.00
Depreciation and amortisation expense	3,621.04
Provisions and bad debts written-off	24,599.63
Other expenses	18,642.94
Total expense	129,097.44
Profit before tax	18,561.17
Tax expense:	
Current tax - current period	5,494.11
- earlier year	(100.92)
Deferred tax	835.25
Profit after tax	12,332.73

Earnings per equity share*

(Nominal value of ₹ 2/- each fully paid up):

Basic (in ₹)	5.20
Diluted (in ₹)	5.19

*The EPS represented are for the period ended.

The selected explanatory notes form an integral part of the interim condensed standalone financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm's Regn. No. 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No. 046882

Mumbai, 05 April 2018



Narayan K Seshadri

Chairman

[DIN: 00053563]



Sanjay Chamria

Vice Chairman &

Managing Director

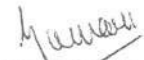
[DIN: 00009894]



Kailash Baheti

Chief Financial Officer

Mumbai, 05 April 2018



Shabnum Zaiman

Company Secretary

Kolkata, 05 April 2018

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Interim Condensed Standalone Cash Flow Statement

(₹ in Lacs)

	Period ended 31 December 2017 (Unaudited)
Net cash from operating activities (A)	101,941.13
Net cash from investing activities (B)	1,621.15
Net cash used in financing activities (C)	(105,779.28)
Net decrease in cash and cash equivalents (A+B+C)	(2,217.00)
Cash and cash equivalents as at the beginning of the year	12,684.29
Cash and cash equivalents as at the end of the period	10,467.29
Cash and Bank balances as presented in condensed Standalone Balance Sheet	36,822.64
Less: Bank Balances comprising cash in deposits accounts with original maturity of more than 3 months(as defined in AS 3- "Cash Flow Statements")	26,355.35
Cash and cash equivalents as at the end of the period	10,467.29

As per our report of even date attached.


For and on behalf of the Board of Directors

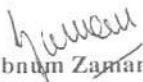
For **B S R & Co. LLP**
Chartered Accountants
Firm's Regn. No. 101248W/W-100022


Narayan K Seshadri
Chairman
[DIN: 00053563]


Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]


Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018


Kailash Baheti
Chief Financial Officer
Mumbai, 05 April 2018


Shabnam Zaman
Company Secretary
Kolkata, 05 April 2018

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Selected Explanatory Notes to the Interim Condensed Standalone Financial Statements

Note: 1

COMPANY OVERVIEW

Magma Fincorp Limited ('the Company'), incorporated and headquartered in Kolkata, India is a publicly held non-banking finance company engaged in providing asset finance through its pan India branch network. The Company is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Note: 2

Basis of preparation of condensed interim standalone financial statements

These condensed interim standalone financial statements have been prepared in accordance with Accounting Standard 25 (AS 25) , Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim standalone financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim standalone financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim standalone financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim standalone financial statements have been prepared in connection with the proposed offerings of the equity shares pursuant to the Qualified Institutions Placement(QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company's equity shares are listed and the Securities and Exchange Board of India (SEBI).

Use of estimates:

The preparation of condensed interim standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.



Selected Explanatory Notes to the Interim Condensed Standalone Financial Statements (continued)

(₹ in lacs)

3 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For 9 months period ended 31 December 2017 (Unaudited)
Basic and Diluted			
(a)	(i) Weighted average number of equity shares (Face Value of ₹ 2/- per share) for Basic EPS	Nos	236,971,687
	(ii) Weighted average number of equity shares for diluted EPS	Nos	237,637,730
(b)	Net profit after tax	₹ in Lacs	12,332.73
(c)	Less : Preference dividend including tax thereon	₹ in Lacs	0.01
(d)	(i) Net profit for equity shareholders for basic EPS	₹ in Lacs	12,332.72
	(ii) Net profit for equity shareholders for diluted EPS	₹ in Lacs	12,332.72
(e)	(i) Earning per share (face value of ₹ 2/- per share) – Basic	₹	5.20
	(ii) Earning per share (face value of ₹ 2/- per share) – Diluted	₹	5.19

4 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 31 December 2017 (Unaudited)	As at 31 March 2017 (Audited)
1 Claims against the Company not acknowledged as debt		
(i) Income tax matters under dispute	278.45	292.96
(ii) VAT matters under dispute	243.08	240.49
(iii) Service tax matters under dispute	299.52	292.37
(iv) Legal cases against the Company *	90.42	116.32
2 Guarantees		
(i) Unexpired bank guarantee	35,708.65	28,098.46

* The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases.

5 Segment reporting

As per paragraph 4 of Accounting Standard (AS) 17, on "Segment Reporting" prescribed under section 133 of the Companies Act, 2013, where a single financial report contains both consolidated financial statements and the separate financial statements of the holding Company, segment reporting needs to be presented only on the basis of consolidated financial statements. In view of this, segment information has been presented in the consolidated financial statements.

6 Taxation

Income Tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Deferred tax assets are recognised if there is a reasonable certainty that there will be sufficient future taxable income available to realize such assets based on the future estimate of the profits.

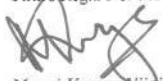
7 The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Central Government through Regional Director, Eastern Region, Ministry of Corporate Affairs has passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of MASL with the Company. Consequently, the results for 31 December 2017 have been prepared giving effect to the merger. The impact on revenue and profit before tax is ₹ 0.91 lacs and ₹ (1.72) lacs, respectively for the quarter and nine month period ended 31 December 2017. Further by virtue of the said merger, Magma Housing Finance Limited ('MHFL') (erstwhile a wholly owned subsidiary of MASL and step down subsidiary of the Company) has now become a direct wholly owned subsidiary of the Company.

8 The Board of Directors of the Company at its Meeting held on 09 November 2017 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 its wholly owned subsidiary, Magma ITL Finance Limited ('MITL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of National Company Law Tribunal, Kolkata Bench.

As per our report of even date attached.

For and on behalf of the Board of Directors

For BSR & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022

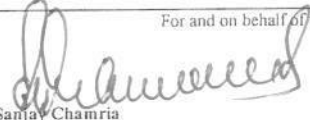

Manoj Kumar Viji
Partner

Membership No. 046882
Mumbai, 05 April 2018


Narayan K. Seshadri
Chairman
[DIN: 00053563]


Kailash Baheti
Chief Financial Officer

Mumbai, 05 April 2018


Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]


Shabnam Zaman
Company Secretary

Kolkata, 05 April 2018

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Report on the Limited Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of
Magma Fincorp Limited

Introduction

We have reviewed the accompanying interim condensed consolidated Balance Sheet of Magma Fincorp Limited ('the Company'), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute 'the Group') as at 31 December 2017, and the related interim condensed consolidated Statement of Profit and Loss, interim condensed consolidated Cash Flow Statement and selected explanatory notes for the 9 month period then ended (collectively hereinafter referred as the "Interim Condensed Consolidated Financial Statements"). Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with Accounting Standard 25 "Interim Financial Reporting" ("AS 25") specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We did not review the condensed interim financial statements of two joint ventures and two subsidiaries included in the Interim Condensed Consolidated Financial Statements whose condensed interim financial statements reflect total assets of Rs 257,377.99 lakhs as at 31 December 2017 as well as total revenue of Rs 24,382.74 lakhs for the 9 month period ended 31 December 2017 and net cash flow of Rs (211.30) lakhs for the 9 month period ended 31 December 2017 as considered in the Interim Condensed Consolidated Financial Statements of the Group. These condensed un reviewed/ un audited interim financial statements have been furnished to us by management and our report on the Interim Condensed Consolidated Financial Statements of the Group, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such

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Report on Review of Interim Condensed Consolidated Financial Statements (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with Accounting Standard 25 "Interim Financial Reporting" ("AS 25") specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Restriction on use

We refer to note 2, Basis of preparation of interim condensed consolidated financial statements. This report is intended solely for the use of the Company in connection with the proposed offerings of the equity shares pursuant to the Qualified Institutions Placement (QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company's equity shares are listed and the Securities and Exchange Board of India (SEBI). This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number: 101248W / W-100022



Manoj Kumar Vijai
Partner

Membership number: 046882

Place: Mumbai
Date : 5 April 2018

Interim Condensed Consolidated Balance Sheet

(₹ in Lacs)

	As at 31 December 2017 (Unaudited)	As at 31 March 2017 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	4,739.47	4,739.19
Reserves and surplus	221,413.04	212,472.60
Fair value change account	3.71	1.58
	<u>226,156.22</u>	<u>217,213.37</u>
Minority Interest	-	3,419.59
Non-current liabilities		
Long-term borrowings	272,332.58	310,929.43
Long-term provisions	32,617.49	22,587.50
	<u>304,950.07</u>	<u>333,516.93</u>
Current liabilities		
Short-term borrowings	567,741.66	548,022.99
Trade payables		
- Due to micro and small enterprises	-	-
- Due to others	31,131.86	19,760.05
Other current liabilities	196,192.63	228,684.75
Short-term provisions	10,527.28	8,903.73
	<u>805,593.43</u>	<u>805,371.52</u>
Total	<u>1,336,699.72</u>	<u>1,359,521.41</u>
ASSETS		
Non-current assets		
Fixed assets		
- Tangible assets	17,029.22	18,472.88
- Intangible assets	3,225.12	3,179.55
- Goodwill on consolidation	1,430.34	6,120.02
- Capital work-in-progress	606.08	753.48
	<u>22,290.76</u>	<u>28,525.93</u>
Non-current investments	52,712.57	47,292.90
Deferred tax assets (net)	1,201.09	1,974.34
Long-term loans and advances		
- Assets on finance	777,750.73	782,436.94
- Others	11,012.10	9,830.93
Other non-current assets	13,234.47	19,761.60
	<u>878,201.72</u>	<u>889,822.64</u>
Current assets		
Current investments	11,841.83	7,356.05
Trade receivables	671.29	674.93
Cash and bank balances	43,149.81	35,330.96
Short-term loans and advances		
- Assets on finance	384,513.55	407,616.80
- Others	7,691.96	6,359.44
Other current assets	10,629.56	12,360.59
	<u>458,498.00</u>	<u>469,698.77</u>
Total	<u>1,336,699.72</u>	<u>1,359,521.41</u>

The selected explanatory notes form an integral part of the interim condensed consolidated financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For BSR & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018

Narayan K Seshadri
Chairman
[DIN: 00059563]

Kailash Baheti
Chief Financial Officer
Mumbai, 05 April 2018

Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]

Shabrum Zaman
Company Secretary
Kolkata, 05 April 2018

Interim Condensed Consolidated Statement of Profit and Loss

(₹ in Lacs)


	Period Ended 31 December 2017 (Unaudited)
REVENUE	
Revenue from operations	166,045.18
Operating result from general insurance business	67.40
Other income	4,727.34
Total revenue	170,839.92
EXPENSE	
Employee benefits expense	27,245.51
Finance costs	68,894.79
Depreciation and amortisation expense	3,640.20
Provisions and bad debts written-off	26,810.39
Other expenses	20,246.42
Total expense	146,837.31
Profit before tax	24,002.61
Tax expense:	
Current tax - current period	7,389.11
- earlier year	(101.45)
Share of current tax of joint venture	47.02
Net current tax	7,334.68
Deferred tax	773.25
Profit after tax	15,894.68
Minority Interest	-
Profit after tax and minority interest	15,894.68
Earnings per equity share*	
(Nominal value of ₹ 2 each fully paid up):	
Basic (in ₹)	6.71
Diluted (in ₹)	6.69

*The EPS represented are for the period ended.


The selected explanatory notes form an integral part of the interim condensed consolidated financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022

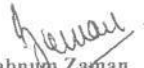

Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018


Narayan K Seshadri
Chairman
[DIN: 00053563]


Kailash Baheti
Chief Financial Officer
Mumbai, 05 April 2018

For and on behalf of the Board of Directors

Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]


Shabnum Zaman
Company Secretary
Kolkata, 05 April 2018

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Interim Condensed Consolidated Cash Flow Statement

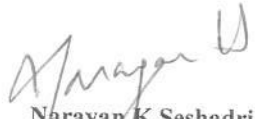
(₹ in Lacs)

	Period ended 31 December 2017 (Unaudited)
Net cash from operating activities (A)	141,448.62
Net cash from investing activities (B)	(1,452.55)
Net cash used in financing activities (C)	(142,425.65)
Net decrease in cash and cash equivalents (A+B+C)	(2,429.58)
Cash and cash equivalents as at the beginning of the year	14,169.63
Cash and cash equivalents as at the end of the period	11,740.05
Cash and Bank balances as presented in condensed Consolidated Balance Sheet	
	43,149.81
Less: Bank Balances comprising cash in deposits accounts with original maturity of more than 3 months(as defined in AS 3-"Cash Flow Statements")	31,409.76
Cash and cash equivalents as at the end of the period	11,740.05

As per our report of even date attached.


For and on behalf of the Board of Directors

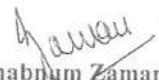
For B S R & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022


Narayan K Seshadri
Chairman
[DIN: 00053563]


Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]


Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018


Kailash Baheti
Chief Financial Officer
Mumbai, 05 April 2018


Shabnum Zaman
Company Secretary
Kolkata, 05 April 2018





Selected Explanatory Notes to the Interim Condensed Consolidated Financial Statements

Note: 1

COMPANY OVERVIEW

Magma Fincorp Limited ('the Company'), incorporated and headquartered in Kolkata, India is a publicly held non-banking finance company engaged in providing asset finance through its pan India branch network. The Company is registered as a systemically important non-deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Note: 2

Basis of preparation of condensed interim consolidated financial statements

These condensed interim consolidated financial statements have been prepared in accordance with Accounting Standard 25 (AS 25), Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, under the historical cost convention and on the accrual basis of accounting.

Selected explanatory notes are included, where relevant, to explain events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Company since the last annual financial statements as at and for the year ended 31 March 2017. These condensed interim consolidated financial statements do not include all the information required for full annual financial statements prepared in accordance with the Indian Generally Accepted Accounting Principles.

The Company has followed the same accounting policies in preparation of the condensed interim consolidated financial statements as those followed in preparation of the financial statements as at and for the year ended 31 March 2017.

As this is the first occasion when the Company has prepared condensed interim consolidated financial statements in accordance with Para 44 of AS 25, the comparative Statement of profit and loss account and the comparative cash flow statement for the comparable interim periods of the immediately preceding financial year have not been presented.

These condensed interim financial statements have been prepared in connection with the proposed offerings of the equity shares pursuant to the Qualified Institutions Placement(QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company's equity shares are listed and the Securities and Exchange Board of India (SEBI).

Use of estimates:

The preparation of condensed interim consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

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Selected Explanatory Notes to the Interim Condensed Consolidated Financial Statements (continued)

(₹ in lacs)

3 Earnings per share

Calculation of Earnings per share (Basic and diluted) as required by Accounting Standard 20:

Sl. No.	Particulars	Units	For 9 months period ended 31 December 2017 (Unaudited)
Basic and Diluted			
(a)	(i) Weighted average number of equity shares (Face Value of ₹ 2/- per share) for Basic EPS	Nos.	236,971,687
	(ii) Weighted average number of equity shares for diluted EPS	Nos.	237,637,730
(b)	Net profit after tax	₹ in Lacs	15,894.68
(c)	Less : Preference dividend including tax thereon	₹ in Lacs	0.01
(d)	(i) Net profit for equity shareholders for basic EPS	₹ in Lacs	15,894.67
	(ii) Net profit for equity shareholders for diluted EPS	₹ in Lacs	15,894.67
(e)	(i) Earning per share (face value of ₹ 2/- per share) – Basic	₹	6.71
	(ii) Earning per share (face value of ₹ 2/- per share) – Diluted	₹	6.69

4 (a) Contingent liabilities (to the extent not provided for)

Particulars	As at 31 December 2017 (Unaudited)	As at 31 March 2017 (Audited)
1 Claims against the Company not acknowledged as debt		
(i) Income tax matters under dispute	278.64	295.12
(ii) VAT matters under dispute	243.08	240.49
(iii) Service tax matters under dispute	459.65	452.50
(iv) Legal cases against the Company *	90.42	116.32
2 Guarantees		
(i) Unexpired bank guarantee	36,470.25	30,524.06

* The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases.

5 Segment reporting

The Group is organised into following reportable segments referred to in Accounting Standard (AS - 17) "Segment Reporting":

Particulars	9 month period ended 31 December 2017 (Unaudited)	Year ended 31 March 2017 (Audited)
1. REVENUE		
(a) Finance and mortgages	169,681.54	238,354.38
(b) General insurance	262.67	361.06
(c) Others	895.71	1,229.72
TOTAL	170,839.92	239,945.16
2. RESULT - PROFIT BEFORE TAX		
(a) Finance and mortgages	23,497.16	4,106.74
(b) General insurance	229.67	294.76
(c) Others	275.78	277.62
TOTAL	24,002.61	4,679.12
3. ASSETS		
(a) Finance and mortgages	1,279,758.73	1,309,673.86
(b) General insurance	50,492.89	43,154.01
(c) Others	6,448.10	6,693.54
TOTAL	1,336,699.72	1,359,521.41
4. LIABILITIES		
(a) Finance and mortgages	1,069,103.77	1,104,197.80
(b) General insurance	41,033.53	33,879.61
(c) Others	406.20	811.04
TOTAL	1,110,543.50	1,138,888.45
5. CAPITAL EMPLOYED		
(a) Finance and mortgages	210,654.96	205,476.06
(b) General insurance	9,459.36	9,274.40
(c) Others	6,041.90	5,882.50
TOTAL	226,156.22	220,632.96

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Statements (continued)

(₹ in lacs)

6 Taxation

Income Tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Deferred tax assets are recognised if there is a reasonable certainty that there will be sufficient future taxable income available to realize such assets based on the future estimate of the profits.

- 7 The Board of Directors and Shareholders of the Company at their meeting held on 20 June 2017 and 02 August 2017 had approved the Scheme of Merger under Section 230 read with Section 233 of the Companies Act, 2013 and Rules made thereunder (the 'Scheme') for merger of its wholly owned subsidiary, Magma Advisory Services Limited ('MASL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 April 2017, being the Appointed date and / or Closing Date as provided in the Scheme. The Central Government through Regional Director, Eastern Region, Ministry of Corporate Affairs has passed a Confirmation Order dated 15 January 2018 pursuant to the provisions of Section 233 of the Companies Act, 2013 approving the merger of MASL with the Company. Consequently, the results for 31 December 2017 have been prepared giving effect to the merger. The impact on revenue and profit before tax is ₹ 0.91 lacs and ₹ (1.72) lacs, respectively for the quarter and nine month period ended 31 December 2017. Further by virtue of the said merger, Magma Housing Finance Limited ('MHFL') (erstwhile a wholly owned subsidiary of MASL and step down subsidiary of the Company) has now become a direct wholly owned subsidiary of the Company.
- 8 The Board of Directors of the Company at its Meeting held on 09 November 2017 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 its wholly owned subsidiary, Magma ITL Finance Limited ('MITL') with the Company by transferring the Undertaking (as defined in the Scheme) of such subsidiary to the Company with effect from 01 October 2017, being the Appointed date and / or Effective Date as provided in the Scheme. Pursuant to the Scheme there shall be no change in shareholding pattern and capital structure of the Company and the entire shareholding that the Company holds in MITL shall stand cancelled. The Scheme is subject to approval of National Company Law Tribunal, Kolkata Bench.


As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firm's Regn. No. 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No. 046882
Mumbai, 05 April 2018



Narayan K Seshadri
Chairman
[DIN: 00053563]



Sanjay Chamria
Vice Chairman &
Managing Director
[DIN: 00009894]



Kailash Baheti
Chief Financial Officer

Mumbai, 05 April 2018



Shabbam Zaman
Company Secretary

Kolkata, 05 April 2018

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