

Magma Fincorp Limited
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CIN : L51504WB1978PLC031813
Web : www.magma.co.in



20 August 2018

Corporate Relationship Department
BSE Limited
25th 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 30 June 2018

Ref: Regulation 30 and 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. 20 August 2018 has inter alia approved the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended 30 June 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 held earlier today. The Board Meeting commenced at 12:00 P.M. and concluded at 2:30 P.M.

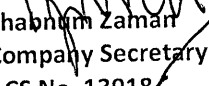
Pursuant to Regulation 33 of the Listing Regulations, we are enclosing herewith the Standalone and Consolidated Unaudited Financial Results of the Company along with the Limited Review Report of the Statutory Auditors, M/s B S R & Co., LLP on the said results for your kind reference and record.

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


Shaheen 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

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Limited review report on unaudited consolidated financial results of Magma Fincorp Limited for the quarter ended 30 June 2018

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 30 June 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'). Attention is drawn to the fact that the figures for the corresponding quarters ended 30 June 2017, 31 March 2018 and the corresponding year ended 31 March 2018, including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarters and year end with the profit reported under previous generally accepted accounting principles (GAAP), as reported in this Statement have been approved by company's Board of Directors but have not been subjected to review.

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 results of one Subsidiary considered in preparation of the Statement, whose financial results reflect total revenue of ₹ 5,336.63 Lakhs for the quarter ended 30 June 2018 and total comprehensive income (after tax) of ₹ 1,029.64 Lakhs for the quarter ended 30 June 2018. We also did not review the financial results of two joint ventures considered in the Statement, whose financial results reflect Group's share of net profit (and other comprehensive income) of ₹ 138.94 Lakhs for the quarter ended 30 June 2018. These financial results have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary and joint ventures, is based solely on such financial results. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial results certified by the respective Management

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, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Listing Regulations and SEBI Circular dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-6181)
with effect from October 14, 2013

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

B S R & Co. LLP

We draw attention to Note 10 of the Statement regarding the Scheme of Amalgamation ('the Scheme') between Magna 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 quarter ended 30 June 2017 attributable to Shareholders would have been lower by ₹ 744.29 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 B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022



Manoj Kumar Vijai

Partner

Membership Number: 046882

Place: Mumbai

Date: 20 August 2018

B S R & Co. LLP

Annexure I-List of Subsidiary and Joint Ventures

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

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MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30 June 2018

(₹ in lacs)

Particulars	Quarter Ended			Year Ended
	30 June 2018	31 March 2018	30 June 2017	31 March 2018
	(Unaudited)	(Unaudited) ²	(Unaudited)	(Unaudited)
1. Revenue				
(a) Revenue from operations	58,618.02	58,606.64	58,667.99	234,229.29
(b) Other income	1,955.01	509.78	1,297.81	3,753.04
Total revenue	60,573.03	59,116.42	59,965.80	237,982.33
2. Expenses				
(a) Employee benefits expense	10,977.15	9,694.14	8,820.68	36,893.34
(b) Finance costs	26,306.50	26,661.63	29,208.89	111,808.33
(c) Depreciation and amortisation expense	1,214.42	1,382.25	1,285.25	4,922.45
(d) Loan loss provisions and bad debts written-off	8,457.06	3,323.85	14,999.39	36,729.24
(e) Other expenses	4,548.14	5,698.43	4,447.51	18,821.11
Total expenses	51,793.27	46,660.30	58,761.72	209,084.47
3. Profit before share of profit of joint ventures and tax (1-2)	8,869.76	12,456.12	1,204.08	28,897.86
4. Share of profit of joint ventures	796.78	(8.14)	28.94	186.82
5. Profit from ordinary activities before tax (3+4)	9,666.54	12,447.98	1,233.02	29,084.68
6. Tax expense				
(a) Current tax	3,787.84	3,161.34	2,347.96	10,449.00
(b) Deferred tax	(933.67)	1,283.35	(5,007.69)	(5,053.09)
Total tax expense	2,854.17	4,444.69	(2,659.73)	5,395.91
7. Net Profit from ordinary activities after tax (5-6)	6,812.37	8,003.29	3,892.75	23,688.77
8. Other comprehensive income				
(a) (i) Items that will not be reclassified to profit and loss	(68.47)	115.76	(50.85)	(36.79)
(ii) Income tax relating to items that will not be reclassified to profit and loss	25.76	(28.60)	4.01	10.60
(b) (i) Items that will be reclassified to profit and loss	10.59	(37.42)	(212.60)	610.53
(ii) Income tax relating to items that will be reclassified to profit and loss	(200.94)	(20.45)	217.33	(314.03)
Total other comprehensive income	(233.06)	29.29	(42.11)	270.31
9. Total comprehensive income for the period (7+8)	6,579.31	8,032.58	3,850.64	23,959.08
10. Total comprehensive income for the period attributable to				
(a) Owners of the Company	6,579.31	8,032.58	3,850.64	23,959.08
(b) Non-controlling interests	-	-	-	-
11. Net Profit from ordinary activities after tax attributable to				
(a) Owners of the Company	6,812.37	8,003.29	3,892.75	23,688.77
(b) Non-controlling interests	-	-	-	-
12. Other comprehensive income attributable to				
(a) Owners of the Company	(233.06)	29.29	(42.11)	270.31
(b) Non-controlling interests	-	-	-	-
13. Paid-up equity share capital (Face value of ₹ 2/- each)	5,385.73	4,740.57	4,739.47	4,740.57
14. Earnings per share (not annualised)				
(a) Basic (in ₹)	2.57	3.38	1.64	10.00
(b) Diluted (in ₹)	2.56	3.37	1.64	9.97

See accompanying notes to the financial results

² Balancing figures (Note 6)



MAGMA FINCORP LIMITED

Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30 June 2018

Notes:

- The financial results of 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 changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- The unaudited consolidated financial results for the quarter ended 30 June 2018 in respect of Magma Fincorp Limited ("the Company") have been reviewed by the Audit Committee in their meeting held on 20 August 2018 and approved by the Board of Directors of the Company in their meeting held on 29 August 2018.
- The above 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. Further, figures for the quarter ended 30 June 2017 and 31 March 2018 and for the year ended 31 March 2018 were neither subjected to limited review nor subjected to audit and are as prepared by the Management.
- In accordance with Regulation 33 of the Listing Regulations, the Company shall publish consolidated financial results. The review report of the Statutory Auditors and financial results shall be filed with BSE Limited and National Stock Exchange of India Limited 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.
- Figures for the quarter ended 31 March 2018 are the balancing figures between figures in respect of full financial year and the year to date figures upto the third quarter of the previous financial year.
- 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.
- The Company has prepared a reconciliation of the net profit, as required by Ind AS 101, of the corresponding period under the previous GAAP with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarter ended 31 March 2018 and 30 June 2017 and for the year ended 31 March 2018 is presented as below:

(₹ in lacs)

Particulars	Profit reconciliation		
	Quarter ended		Year ended
	31 March 2018	30 June 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)
1. Net profit as per previous GAAP	7,147.73	4,507.23	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	5,618.76	(5,064.08)	1,800.16
(b) Net gain on derecognition of loans sold under assignment transaction	1,203.37	(602.66)	(655.63)
(c) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method	(1,727.35)	63.58	(5,381.14)
(d) Fair valuation of financial assets and liabilities carried through profit and loss	(336.75)	(11.24)	1,512.48
(e) Others	(112.30)	59.30	50.95
(f) Tax impact on above adjustments	(3,790.17)	4,940.82	3,319.54
3. Net profit as per Ind AS (1+2)	8,003.29	3,892.75	23,688.77
4. Other comprehensive income / (loss), net of taxes	29.29	(42.11)	270.31
5. Total comprehensive income (3+4)	8,032.58	3,850.64	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 ITL 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 reinstated as if the business combination had occurred from the beginning of the preceding period. Accordingly, the financial results for the quarter ended 30 June 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 profit attributable to the shareholders for the quarter ended 30 June 2017 would have been lower by ₹ 744.29 lacs (amount represents profit of MITL attributable to non controlling interest for the quarter ended 30 June 2017). Further, the Company has recognized the relevant deferred tax adjustments in the quarter ended 30 June 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 Ended 30 June 2018


- 11] During the quarter, the Nomination and Remuneration Committee of the Board of Directors has granted 7,26,983 and 3,22,000 options under various tranches at an exercise price of ₹ 120/- and ₹ 2/- per share respectively under Magma Employee Stock Option Plan 2007 (MESOP 2007). These options have been granted to the eligible employees of the Company (each Option entitles the option holder to 1 equity share of ₹ 2/- each)
- 12] During the quarter, 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 ₹ 5,285.73 lacs. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 13] The listed Non Convertible Debentures of the Company as on 30 June 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.
- 14] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter Ended			Year Ended
	30 June 2018	31 March 2018	30 June 2017	31 March 2018
	(Unaudited)	(Unaudited) ^a	(Unaudited)	(Unaudited)
1. Total income from operations	55,236.41	53,194.90	54,118.52	214,989.66
2. Profit from ordinary activities before tax	7,780.33	11,600.27	(233.12)	23,708.70
3. Net Profit from ordinary activities after tax	5,145.62	7,465.05	2,928.16	20,122.54
4. Total comprehensive income	5,410.75	7,406.96	2,970.33	20,122.33

^a Balancing figures (Note 6)

- 15] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited


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

Place : Mumbai
Dated : 20 August 2018

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
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BSR & Co. LLP

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Limited review report on unaudited standalone financial results of Magma Fincorp Limited for the quarter ended 30 June 2018

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 30 June 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'). Attention is drawn to the fact that the figures for the corresponding quarters ended 30 June 2017, 31 March 2018 and the corresponding year ended 31 March 2018, including the reconciliation of profit under Indian Accounting Standards (Ind AS) of the corresponding quarters and year end with the profit reported under previous generally accepted accounting principles (GAAP), as reported in this Statement have been approved by company's Board of Directors but have not been subjected to review or audit.

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, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Listing Regulations and SEBI Circular dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

MA

B S R & Co. LLP

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 'Other Equity' as at 1 April 2017 and the total comprehensive income (net of tax) for quarter ended 30 June 2017 would have been lower by ₹ 2,482.94 Lakhs and ₹ 2,862.67 Lakhs respectively. Our conclusion is not modified in respect of this matter.

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022



Manoj Kumar Vijai
Partner
Membership Number: 046882

Place: Mumbai
Date: 20 August 2018



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter ended 30 June 2018

(₹ in lacs)

Particulars	Quarter ended			Year ended
	30 June 2018	31 March 2018	30 June 2017	31 March 2018
	(Unaudited)	(Unaudited) ^f	(Unaudited)	(Unaudited)
1. Revenue				
(a) Revenue from operations	53,345.99	52,703.77	52,930.37	211,459.46
(b) Other income	1,890.42	491.13	1,168.15	3,530.20
Total revenue	55,236.41	53,194.90	54,118.52	214,989.66
2. Expenses				
(a) Employee benefits expense	9,776.93	8,671.85	7,839.86	33,059.77
(b) Finance costs	24,078.82	24,232.90	26,377.71	101,314.83
(c) Depreciation and amortisation expense	1,208.15	1,276.14	1,279.35	4,898.60
(d) Loan loss provisions and bad debts written-off	8,379.42	2,176.54	14,777.38	34,741.91
(e) Other expenses	4,012.76	5,237.20	4,077.34	17,265.85
Total expenses	47,456.08	41,594.63	54,351.64	191,280.96
3. Profit from ordinary activities before tax (1-2)	7,780.33	11,600.27	(233.12)	23,708.70
4. Tax expense				
(a) Current tax	3,556.84	2,685.20	2,047.96	8,758.39
(b) Deferred tax	(922.13)	1,450.62	(5,209.24)	(5,172.23)
Total tax expense	2,634.71	4,135.22	(3,161.28)	3,586.16
5. Net Profit from ordinary activities after tax (3-4)	5,145.62	7,465.05	2,928.16	20,122.54
6. Other comprehensive income				
(a) (i) Items that will not be reclassified to profit and loss	(75.39)	93.49	(55.53)	(73.10)
(ii) Income tax relating to items that will not be reclassified to profit and loss	26.34	(31.36)	5.63	12.70
(b) (i) Items that will be reclassified to profit and loss	482.94	(182.85)	140.79	100.69
(ii) Income tax relating to items that will be reclassified to profit and loss	(168.76)	62.63	(48.72)	(35.50)
Total other comprehensive income	265.13	(58.09)	42.17	4.79
7. Total comprehensive income for the period (5+6)	5,410.75	7,406.96	2,970.33	20,127.33
8. Paid-up equity share capital (Face value of ₹ 2/- each)	5,385.73	4,740.57	4,739.47	4,740.57
9. Earnings per share (not annualised)				
(a) Basic (in ₹)	1.94	3.15	1.24	8.49
(b) Diluted (in ₹)	1.93	3.14	1.23	8.47

See accompanying notes to the financial results

^f Balancing figures (Note 5)

Notes :

- The financial results of 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 changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101.
- The unaudited standalone financial results for the quarter ended 30 June 2018 in respect of Magma Fincorp Limited ("the Company") have been reviewed by the Audit Committee in their meeting held on 20 August 2018 and approved by the Board of Directors of the Company in their meeting held on 20 August 2018.
- The above 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. Further, figures for the quarter ended 30 June 2017 and 31 March 2018 and for the year ended 31 March 2018 were neither subjected to limited review nor subjected to audit and are as prepared by the Management.
- The review report of the Statutory Auditors and financial results shall be filed with BSE Limited and National Stock Exchange of India Limited 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).
- Figures for the quarter ended 31 March 2018 are the balancing figures between figures in respect of full financial year and the year to date figures upto the third quarter of the previous financial year.
- 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.



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter ended 30 June 2018

7] The Company has prepared a reconciliation of the net profit, as required by Ind AS 101, of the corresponding period under the previous GAAP with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarter ended 31 March 2018 and 30 June 2017 and for the year ended 31 March 2018 is presented as below:

(₹ in laos)

Particulars	Profit reconciliation		
	Quarter ended		Year ended
	31 March 2018	30 June 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)
1. Net profit as per previous GAAP	7,916.21	3,907.35	20,248.94
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	5,584.92	(5,307.88)	1,358.70
(b) Net gain on derecognition of loans sold under assignment transaction	548.23	(851.88)	(1,737.97)
(c) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method	(1,679.85)	55.26	(5,259.00)
(d) Fair valuation of financial assets and liabilities carried through profit and loss	(311.21)	(11.20)	1,279.17
(e) Merger of entities under common control	(931.52)	(31.64)	271.24
(f) Others	(93.49)	55.53	72.20
(g) Tax impact on above adjustments	(3,568.24)	5,112.62	3,889.26
3. Net profit as per Ind AS (1+2)	7,465.05	2,928.16	20,122.54
4. Other comprehensive income / (loss), net of taxes	(58.09)	42.17	4.79
5. Total comprehensive income (3+4)	7,406.96	2,970.33	20,127.33

- 8] 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.
- 9] During the previous year, the Company had acquired 26% equity shares of Magma ITL 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 reinstated as if the business combination had occurred from the beginning of the preceding period. Accordingly, the financial results for the quarter ended 30 June 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 laos as at 01 April 2017 and the total comprehensive income for the quarter ended 30 June 2017 would have been lower by ₹ 2,862.67 laos. Further, the Company has recognized the relevant deferred tax adjustments in the quarter ended 30 June 2017 amounting to ₹ 2,758.17 laos, in accordance with Ind AS 103 - 'Business Combinations' and Ind AS 12 - 'Income Taxes'.
- 10] During the quarter, the Nomination and Remuneration Committee of the Board of Directors has granted 7,26,083 and 3,22,000 options under various tranches at an exercise price of ₹ 120/- and ₹ 2/- per share respectively under Magma Employee Stock Option Plan 2007 ('MESOP 2007'). These options have been granted to the eligible employees of the Company (each Option entitles the option holder to 1 equity share of ₹ 2/- each).
- 11] During the quarter, 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 laos, 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 laos. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 12] The listed Non Convertible Debentures of the Company as on 30 June 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.
- 13] Previous year's / quarter's figures have been regrouped and rearranged wherever necessary.

By order of the Board
For Magma Fincorp Limited

Sanjay Chauria
Vice Chairman and Managing Director
DIN No.: 00609894

Place : Mumbai
Dated : 20 August 2018

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