

18 June 2020

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 Audited Financial Results for the quarter and year ended 31 March 2020

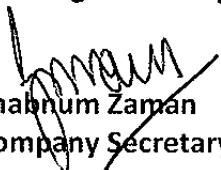
Dear Sir,

Enclosed herewith please find the Press Release on the Performance of the Company for the quarter and year ended 31 March 2020.

This is for your information and record.

Thanking You,

**Yours faithfully,
For Magma Fincorp Limited**



**Shabnum Zaman
Company Secretary**

Encl: as above

Magma Fincorp FY20 AUM at Rs 16,134 Cr, PBT before Covid Provision at Rs 199 Cr

Mumbai, 18 June 2020: Mumbai-based asset finance company, Magma Fincorp Limited today announced Annual results for FY20. The economic downturn coupled with the COVID-19 impact led to FY20 disbursements at Rs 6,428 crore, a decrease of 27% YoY. Assets Under Management (AUM) were at Rs 16,134 crore, down 5% YoY. The Profit before Tax before COVID provision stood at Rs 199 crore in a very challenging year; After one-time provision of Rs 117 crore towards COVID-19, the PBT stood at Rs 83 crore. Magma Exited March 2020 with a comfortable liquidity of over Rs 1,500 crore.

The Company is adequately capitalized for growth, has a strong liquidity position, a well-diversified retail portfolio with excellent geographic distribution and 97% of the receivables are either secured by collateral or have a sovereign guarantee cover.

The company reached out to over 75% of its customers during the lockdown to firstly, inquire about them and families health and further to understand the impact of the lockdown on their cashflow situation.

Early investment in digital initiatives through **project 'Navodaya'** in 2019 helped the company proactively manage the lockdown situation and ensured a seamless transition to the Business Continuity Plan. Under project Navodaya, the company is digitizing its entire loan origination cycle which will help increase productivity further. As of now, 75% of the company's collection are conducted digitally.

Customers comprising 73% of the AUM opted for the moratorium as of May-end. However, with comfortable liquidity, the company decided not to avail of the moratorium on any of its borrowings. Even under these circumstances, the Company exited the moratorium phase 1 with liquidity of over Rs 1,600 Crores as on 31 May 2020.

The situation is gradually returning to normal with 305 of our 327 branches now fully operational, and nearly 95% of employees are working in nearly a 'Business as Usual' environment.

Vehicle Finance Business: The portfolio is being strategically reshaped with increasing the contribution of focus products and customer segments. The contribution of used assets in disbursements in 2HFY20 was roughly 70%, and the disbursement of used assets grew by 27% CAGR over the last three years.

Magma Housing Finance: The 100% subsidiary with pan India presence with differentiated, direct relationship based lending model for affordable housing had a strong FY20. Loan disbursements grew by 21% YoY to Rs 1,315 Cr and AUM growing by 35% YoY to Rs 3,283 cr. PAT in FY20 grew by 25.4% YoY to Rs 42.6 crs. Magma Housing Finance has bucked the industry trend and continued its path of asset quality improvement. In FY20, Gross NPA & Net NPA stood at 1.6% and 0.97% with healthy PCR of 40% on an entirely retail loan book.



Magma' SME Finance Business: Disbursals stood at Rs 1,018 cr for FY20, as we took a conscious decision to curtail disbursals, focusing only on high quality assets given the stress being faced by most MSMEs. The company has de-risked 76% of its unsecured loans portfolio through CGTSME cover.

Magma HDI General Insurance: Registered a growth of 26.1% YoY in Gross Direct Premium, continuing its focus on building a strong distribution franchise with the retail business constituting 83.2% of the total Gross Written Premium. The company empaneled with 6 new OEMs during the year and now serves an impressive panel of OEM customers. In 2020 the company was awarded with the title '**Rising Star Company**' at the **India Insurance Awards 2020**.

Commenting on Magma Fincorp's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "We are in the midst of uncertain times and Magma's motto in the current circumstance is to survive, revive and thrive. Magma's strategy to focus on used assets, affordable housing and SME assets has provided a cushion in these trying times. In FY21, Magma would focus on collections, improvement in asset quality and lowering operational expenses. We are adequately capitalized and have enough liquidity for growth."

About Magma Fincorp Limited

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

Magma a financial conglomerate offers a bouquet of financial products including commercial finance, agri finance, SME finance, mortgage finance and general insurance. Magma is focused on the rural and semi-urban sector with a widespread coverage and presence across 21 States 327 Branches. Magma customer base has crossed 3 million and manages a loan book of Rs 16,134 cr.

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

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