MAGMA
Investing in the smallest dream

MAGMA FINCORP LIMITED

Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2011

(Rs. in lacs)

	Particulars	Quarter Ended			Year To Date		Year Ended 31st March 2011
		31st December 2011	30th September 2011	31st December 2010	31st December 2011	31st December 2010	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income From Operations	26,554.91	23,708.14	21,200.90	70,703.75	56,052.15	81,903.98
2.	Other Operating Income	1,267.12	1,478.17	1,336.95	4,309.44	4,243.80	5,330.13
	Total Operating Income (A)	**27,822.03**	**25,186.31**	**22,537.85**	**75,013.19**	**60,295.95**	**87,234.11**
3.	Employee Cost	3,441.90	3,569.92	3,185.57	10,868.18	9,499.42	13,464.99
4.	Depreciation	632.80	622.09	717.11	1,903.89	2,122.98	2,785.07
5.	Provision for Standard Assets	254.00	199.00	-	741.00	-	1,148.00
6.	Brokerage & Commission	1,080.22	732.78	1,668.55	2,554.73	4,613.60	7,009.07
7.	Bad Debts Written-off (net)	667.08	670.71	696.57	1,897.50	2,163.25	2,408.43
8.	Other Operative & Administrative Expenses	2,107.54	1,909.80	1,729.07	5,418.91	4,693.09	7,132.15
	Total Expenditure (B)	**8,183.54**	**7,704.30**	**7,996.87**	**23,384.21**	**23,092.34**	**33,947.71**
9.	**Profit From Operations Before Other Income & Interest (A-B)**	**19,638.49**	**17,482.01**	**14,540.98**	**51,628.98**	**37,203.61**	**53,286.40**
10.	Other Income	(0.44)	7.92	43.14	115.92	129.58	169.12
11.	**Profit Before Interest & Tax**	**19,638.05**	**17,489.93**	**14,584.12**	**51,744.90**	**37,333.19**	**53,455.52**
12.	Interest & Finance Charges	17,581.51	14,466.34	9,680.94	44,126.94	25,710.36	35,234.54
13.	**Profit Before Tax**	**2,056.54**	**3,023.59**	**4,903.18**	**7,617.96**	**11,622.83**	**18,220.98**
14.	Tax Expense (Includes Deferred Tax)	666.99	895.03	1,634.85	2,386.78	3,901.64	6,006.38
15.	**Profit After Tax**	**1,389.55**	**2,128.56**	**3,268.33**	**5,231.18**	**7,721.19**	**12,214.60**
16.	Share of Minority Interest	67.86	70.43	49.46	213.09	146.43	200.55
17.	**Profit After Tax & Minority Interest**	**1,321.69**	**2,058.13**	**3,218.87**	**5,018.09**	**7,574.76**	**12,014.05**
18.	Paid-up Equity Capital (Face Value Rs.2/-Each)	3,794.64	3,593.27	2,595.47	3,794.64	2,595.47	2,595.47
19.	Reserves & Surplus excluding Revaluation Reserve as per balance sheet of previous accounting year.	-	-	-	-	-	54,629.23

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		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
20.	Earning Per Share (Face Value Rs.2/-Each) (not annualised)						
	- *Basic (In Rs.)*	0.51	0.98	2.25	2.46	5.37	8.57
	- *Diluted (In Rs.)*	0.51	0.97	2.19	2.46	5.23	8.38
21.	Public Shareholding						
	- *Number Of Shares*	*125,800,212*	*125,731,612*	*75,746,047*	*125,800,212*	*75,746,047*	*75,746,047*
	- *Percentage Of Shareholding*	*66.30%*	*69.98%*	*58.37%*	*66.30%*	*58.37%*	*58.37%*
22.	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	- *Number of Shares*	*7,259,542*	*7,259,542*	-	*7,259,542*	-	-
	- *% of Shares (to total shareholding of promoter and promoter group)*	*11.36%*	*13.46%*	-	*11.36%*	-	-
	- *% of Shares (to total share capital of the Company)*	*3.83%*	*4.04%*	-	*3.83%*	-	-
	b) Non-encumbered						
	- *Number of Shares*	*56,672,421*	*46,672,421*	*54,027,503*	*56,672,421*	*54,027,503*	*54,027,503*
	- *% of Shares (to total shareholding of promoter and promoter group)*	*88.64%*	*86.54%*	*100.00%*	*88.64%*	*100.00%*	*100.00%*
	- *% of Shares (to total share capital of the Company)*	*29.87%*	*25.98%*	*41.63%*	*29.87%*	*41.63%*	*41.63%*

Notes :

1] The financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 16th January 2012.

2] In accordance with Clause 41 of the Listing Agreement, the Company has opted to publish unaudited consolidated financial results. The unaudited standalone results of the Company is available on the Company's website www.magma.co.in or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

3] The Joint Statutory Auditors have carried out Limited Review of the unaudited standalone financial results as required under Clause 41 of the Listing Agreement and have issued an unqualified Limited Review opinion thereon.

4] During the quarter, on 28th October 2011, the Company has allotted, 1,00,00,000 equity shares of the face value of Rs. 2/- each to Microfirm Softwares Private Limited, one of the promoter entities at a price of Rs. 50/- per equity share (including premium of Rs. 48/- per equity share) upon reciept of balance 75% consideration amounting to Rs. 37.50 Crores pursuant to exercise of the options attached with 1,00,00,000 warrants alloted to them on 30th April 2010 in terms of provisions of SEBI Guidelines for Preferential Issue (Chapter VII of the SEBI (Issue and Disclosure Requirements) Regulations, 2009).

5] During the quarter, the Company has allotted on Preferential Basis on 25th November 2011, 68,600 Equity Shares of the face value of Rs. 2/- each under Employee Stock Option Plan pursuant to SEBI (ESOS and ESPS) Guidelines, 1999 to the eligible employees of the Company. The total paid up capital of the Company stands increased to 18,97,32,175 Equity shares of the face value of Rs. 2/-each aggregating to Rs. 3,794.64 lacs.

6] Pursuant to the approval given by the shareholders of the Company by way of Postal Ballot under Section 192A of the Companies Act, 1956 on 12th December 2011, M/s. B S R & Co., Chartered Accountants has been co-opted as Joint Auditor of the Company under Section 224 of the Companies Act, 1956 together with M/s. S.S Kothari & Co.,Chartered Accountants, present Statutory Auditor of the Company.

7] The consolidated financial statements have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and comprise financial results of Magma Fincorp Limited and its subsidiary, Magma ITL Finance Limited.

8] (a) With effect from 1st April 2011, the Company has decided to (i) minimize sale of its receivables in respect of assets originated by it and instead, using additional capital raised during the year, hold such loans on its balance sheet (ii) amortize the income arising out of securitization / assignment of receivables and any upfront brokerage expenses / income pertaining to origination over the tenure of the underlying contracts.

(b) Consequently, in the quarter / period there is no upfront recognition of income arising from securitization / assignment of receivables unlike in the corresponding quarter / period of the previous year wherein such upfront income was Rs. 4,182.09 lacs and Rs. 9,975.81 lacs for the quarter and period ended 31st December, 2010 respectively. Further, to align its accounting policies with this change, income and expense related to origination, hitherto recognized entirely at the time of booking of the loan, has been amortized over the tenor of the contracts. Consequently, net expense of Rs. 1,610.85 lacs for the current quarter, Rs. 1,360.04 lacs for the previous quarter and Rs. 4,129.74 lacs for the 9 month period is not charged off and is amortized over the tenor of the contracts.

(c) During the current quarter / period, in line with the change in accounting policy on securitization / assignment of receivables, the Company has amortized income arising out of securitsation / assignment of receivables. Consequently, an amount of Rs. 2,457.26 lacs, being income relating to future period will be recognized over the tenure of the contracts securitized / assigned and an amount of Rs. 695.60 lacs for the current quarter, Rs. 8.38 lacs for the previous quarter and Rs. 703.98 lacs for the 9 month period, being income on assets assigned during the current 9 month period has been recognised on amortisation basis.

(d) In view of the changes in business practices and accounting policies as above, the results of the current quarter / period are not strictly comparable with the corresponding quarter / period of the previous year.

9] The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM (US) – 2011 dated 17th January 2011 had issued directions to all NBFCs to make provision of 0.25% against standard assets with immediate effect. Accordingly, the Company has made provision of Rs. 254.00 lacs during the current quarter, Rs. 199.00 lacs during the previous quarter and Rs. 741.00 lacs during the 9 months period. The above provision, in accordance with RBI guideline is included in Tier II Capital.

10] The Company is primarily engaged in the business of financing in India and as such no separate information is required to be furnished in terms of Accounting Standard 17 (Segment Reporting).

11] Previous year / quarter figures are regrouped / restated, wherever found necessary.

12] There was no investor complaint pending as on 31st December 2011. During the quarter under review, no complaint was received.

13] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

(Rs. in lacs)

Particulars		Quarter Ended			Year To Date		Year Ended 31st March 2011
		31st December 2011	30th September 2011	31st December 2010	31st December 2011	31st December 2010	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Total Operating Income	26,704.73	24,134.28	21,641.47	71,878.31	57,927.05	84,563.86
2.	Profit Before Tax	1,671.35	2,621.68	4,618.34	6,404.83	10,779.52	17,050.10
3.	Profit After Tax	1,128.59	1,857.69	3,078.12	4,411.65	7,158.05	11,443.32

On behalf of the Board
For **Magma Fincorp Limited**

Place : Mumbai
Dated : 16th January 2012

Sanjay Chamria
Vice Chairman & Managing Director

Registered Office : Magma House, 24 Park Street, Kolkata - 700 016