

January 17, 2013

Corporate Relationship Department
Bombay Stock Exchange 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

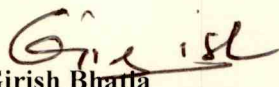
Sub: Unaudited Financial Results (Standalone) along with Limited Review Report of the Statutory Auditors on the same for the Quarter ended 31st December, 2012- Intimation under Clause 41 of the Listing Agreement

Dear Sir,

Pursuant to the Clause 41 of the Listing Agreement, please find enclosed herewith the Standalone Unaudited Financial Results along with Limited Review Report of Joint statutory Auditors of the Company for the quarter ended 31st December, 2012. The said results have been reviewed by the Audit Committee and taken on record and approved by the Board of Directors of the Company at their meeting held today i.e 17.01.2013.

Thanking you,

Yours faithfully,
For **Magma Fincorp Limited**



Girish Bhatia
Company Secretary



MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2012

Part - I						(Rs. in lacs)
Particulars	Quarter ended			Year to date		Year ended
	31 December 2012	30 September 2012	31 December 2011	31 December 2012	31 December 2011	31 March 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
(a) Revenue from operations	40,554.85	36,114.61	25,922.06	107,148.47	69,096.25	97,537.02
Total income from operations (net)	40,554.85	36,114.61	25,922.06	107,148.47	69,096.25	97,537.02
2. Expenses						
(a) Employee benefits expense	4,989.40	4,522.50	3,441.90	14,199.61	10,868.18	14,901.55
(b) Depreciation and amortisation expense	869.56	738.58	632.80	2,817.40	1,903.89	2,957.74
(c) Contingent provision against standard assets	430.00	330.00	240.00	1,120.00	710.00	630.00
(d) Brokerage and commission	2,407.41	2,253.29	1,079.09	6,445.57	2,552.97	3,777.28
(e) Provision for NPA / Bad debts written-off (net)	1,578.62	1,720.99	688.07	4,494.30	2,056.15	2,711.41
(f) Other expenses	3,329.90	3,422.32	2,095.82	9,192.81	5,364.61	8,564.94
Total expenses	13,604.89	12,987.68	8,177.68	38,269.69	23,455.80	33,542.92
3. Profit from operations before other income and finance costs (1-2)	26,949.96	23,126.93	17,744.38	68,878.78	45,640.45	63,994.10
4. Other income						
(a) Market entry fee (net)	-	-	-	1,395.52	-	-
(b) Other income	2,345.27	1,644.57	782.23	5,557.64	2,897.98	4,065.07
5. Profit from ordinary activities before finance costs (3+4)	29,295.23	24,771.50	18,526.61	75,831.94	48,538.43	68,059.17
6. Finance costs	24,419.71	21,625.66	16,855.26	64,081.62	42,133.60	59,851.64
7. Profit from ordinary activities before tax (5-6)	4,875.52	3,145.84	1,671.35	11,750.32	6,404.83	8,207.53
8. Tax expense (includes deferred tax)	1,574.79	1,042.91	542.76	3,797.17	1,993.18	1,883.30
9. Net Profit from ordinary activities after tax (7-8)	3,300.73	2,102.93	1,128.59	7,953.15	4,411.65	6,324.23
10. Paid-up equity share capital (Face value of Rs.2/- each)	3,799.14	3,797.84	3,794.64	3,799.14	3,794.64	3,794.64
11. Reserves and surplus	-	-	-	-	-	104,334.75
12. Earnings per share (not annualised)						
(a) Basic (in Rs.)	1.55	0.96	0.41	3.71	2.10	2.97
(b) Diluted (in Rs.)	1.55	0.96	0.41	3.71	2.10	2.94

See accompanying notes to the financial results

Part - II						Select Information for the Quarter and Nine Month Period Ended 31 December 2012
A. PARTICULARS OF SHAREHOLDING						
Particulars	Quarter ended			Year to Date		Year ended
	31 December 2012	30 September 2012	31 December 2011	31 December 2012	31 December 2011	31 March 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Public shareholding						
- Number of shares	126,024,812	125,960,062	125,800,212	126,024,812	125,800,212	125,800,212
- Percentage of shareholding	66.34%	66.33%	66.30%	66.34%	66.30%	66.30%
2. Promoters and Promoter group shareholding						
a) Pledged / encumbered						
- Number of shares	4,843,576	5,123,280	7,259,542	4,843,576	7,259,542	7,259,542
- % of shares (as a % of the total shareholding of promoter and promoter group)	7.58%	8.01%	11.36%	7.58%	11.36%	11.36%
- % of shares (as a % of the total share capital of the Company)	2.55%	2.70%	3.83%	2.55%	3.83%	3.83%
b) Non-encumbered						
- Number of shares	59,088,387	58,808,683	56,672,421	59,088,387	56,672,421	56,672,421
- % of shares (as a % of the total shareholding of promoter and promoter group)	92.42%	91.99%	88.64%	92.42%	88.64%	88.64%
- % of shares (as a % of the total share capital of the Company)	31.11%	30.97%	29.87%	31.11%	29.87%	29.87%
B. INVESTOR COMPLAINTS						
Particulars	Quarter ended					
	31 December 2012					
Pending at the beginning of the quarter	Nil					
Received during the quarter	Nil					
Disposed-off during the quarter	Nil					
Remaining unresolved at the end of the quarter	Nil					





MAGMA FINCORP LIMITED

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Month Period Ended 31 December 2012

Notes :

- 1] The unaudited 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 17 January 2013.
- 2] The Joint Statutory Auditors have carried out the Limited Review of the unaudited standalone financial results as required under Clause 41 of the Listing Agreement and have issued an unqualified opinion thereon.
- 3] The Insurance Joint Venture Company, Magma HDI General Insurance Company Limited has commenced the business from 1 October 2012, the results of which are reflected in the above results.
- 4] The Company has signed Definitive Agreements for the acquisition of the following:
 - (a) 100% equity share capital of GE Money Housing Finance ("GEMHF"), which is an affiliate of GE Capital India engaged in housing finance in India with about Rs. 66,000 lacs loan assets and about Rs. 19,300 lacs net worth as at 31 March 2012, and;
 - (b) Entire home equity loans portfolio of GE Money Financial Services Private Limited ("GEMFSPL") with about Rs. 94,000 lacs loan assets as at 31 May 2012.

Consummation of the acquisitions is subject to standard conditions precedents including relevant regulatory approvals. The above transaction will be reflected in the financial statements of the Company when consummated.

- 5] In view of the imminent regulatory changes in capital adequacy, income recognition, asset classification and provisioning norms being proposed in the RBI draft guidelines released on 12 December 2012, and to become effective on 1 April 2013, the Company has proactively refined its method of recognising delinquencies and loan losses giving effect to such refinements from 1 April 2012.

Further, the Company believes that in the light of the current business and economic conditions and the change in its business model it would be prudent and appropriate in reflecting the prevalent credit risk by commencing recognition of delinquencies earlier and creating provisions against them as prescribed in the draft RBI guidelines set out below. These provisioning norms are considered the minimum and higher provision is made based on perceived credit risk where necessary.

Such early adoption of the draft guidelines enables the Company to be better prepared for full compliance well before the prescribed timelines.

Asset Classification	Ageing	Secured	Unsecured
Standard Assets	0 - 120 DPD	0%	0%
Sub-standard Assets	> 120 DPD (Up to one year)	15%	25%
Doubtful Assets	Up to one year	25%	100%
Doubtful Assets	One to three years	40%	100%
Doubtful Assets	More than three years	100%	100%
Loss Assets		100%	100%

Following the change, the Company recognises delinquencies and commences provisioning at 120 days, rather than recognising delinquencies at 180 days and writing off 100% of loan outstanding as done previously. The application of the above provisioning norms has resulted in reduction of interest income by Rs. 623.36 lacs, and a net lower provision of Rs. 1,134.40 lacs. Recoveries made from loans written off prior to 1 April 2012 are included in Other Income.

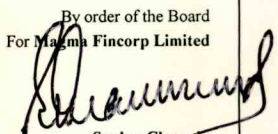
Further, the Company has increased the standard provisioning by 0.05% to a total of 0.30% of the Standard Assets at 31 December 2012, from the existing 0.25% to gradually move to the proposed guideline of 0.40% which is to be effective by March 2014. This increase has resulted in an additional charge of Rs 440.00 lacs for the quarter and nine month period ended 31 December 2012.

- 6] During the quarter, the Company has allotted on preferential basis on 30 November 2012, 64,750, 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. Consequently, the total paid-up capital of the Company stands increased to 189,956,775 Equity Shares of the face value of Rs. 2/- each aggregating to Rs. 3,799.14 lacs.
- 7] 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 5 November 2012, the Company has raised a sum of Rs. 3,600 lacs by issue and allotment of 3,600,000, 11% Cumulative Non-Convertible Redeemable Preference Shares of the face value of Rs. 100/- on preferential basis on 12 November 2012.
- 8] During the quarter ended 30 June 2012, the Company had received a one time market entry fee from HDI Gerling International Holding AG, now replaced with HDI-Gerling Industrie Versicherung AG ("HDI"), a part of the Talanx AG Group, Germany, per Market Entry Agreement for providing support and market entry assistance in relation to general insurance business in India. Expenses attributable towards earning this fee income have been deducted therefrom.
- 9] 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.

Place : Kolkata
Dated : 17 January 2013

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

By order of the Board
For Magma Fincorp Limited

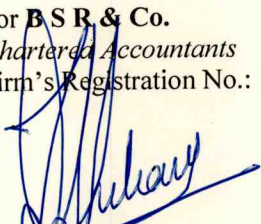

Sanjay Chamria
Vice Chairman and Managing Director

Review Report

To the Board of Directors Magma Fincorp Limited

1. We have jointly reviewed the accompanying Statement of Unaudited Financial Results ('the Statement') of Magma Fincorp Limited ('the Company') for the quarter ended 31 December 2012 and the nine month period ended on that date, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 17 January 2013. Our responsibility is to issue a report on the Statement based on our review. The financial results for all periods prior to the quarter ended 31 December 2011, included in the statement were reviewed or audited earlier by S. S. Kothari & Co., Chartered Accountants, the then sole statutory auditor of the Company whose reports have been furnished to B S R & Co., Chartered Accountants, and which have been relied upon for the purpose of our joint review of the Statement.
2. 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 issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's 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.
3. Based on our review conducted as mentioned in paragraph 2 above, nothing has come to our notice that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No.: 101248W


Zubin Shekary
Partner
Membership No.: 048814

Kolkata
17 January 2013



For **S. S. Kothari & Co.**
Chartered Accountants
Firm's Registration No.: 302034E


R. N. Bardhan
Partner
Membership No.: 017270

Kolkata
17 January 2013

