



Magma Fincorp Limited

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January 31, 2014

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)

Dear Sir,

Sub: Press Release in respect of Unaudited Financial Results for the quarter ended 31st December, 2013

Enclosed herewith please find the Press Release on the Performance of the Company for the quarter ended 31st December, 2013.

This is for your information and record.

Thanking You,

Yours faithfully,
For Magma Fincorp Limited

Girish Bhatia
Company Secretary

Magma Fincorp Q3 FY 14**Net Interest Spread up 95 bps YoY at 5.70%****Loan assets increase 20% YoY to Rs 17224 Crores as on 31st December 2013****Consolidated PAT at Rs 36.2 Crores**

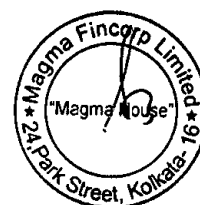
Kolkata, 31 January 2014: Leading asset finance company, Magma Fincorp Limited today announced the Q3 FY14 Consolidated results that reflected healthy improvement in revenue, spreads and profits despite slowdown in the industry and a general downturn in the economy. Backed by an increase in spreads at 5.70% for YTD FY 14, the company reported gross revenues of Rs 535.6 crore for the quarter, 20% higher than Q3 FY13. Profit After Tax was recorded at Rs 36.2 crore, up 12.5% on a sequential basis. The company's loan book increased a modest 20% YoY to Rs 17,224 crores and its Capital Adequacy Ratio (CAR) stood at 15.3% as on 31st December 2013.

Driven by intelligent product and customer mix change, the company registered a Net Interest Spread (NIS) of 5.70% for YTD FY14, 95 bps higher than the NIS for the corresponding period last year. With a view to being prudent in these turbulent times, the company, apart from ensuring no restructuring of loans, also since 2012 provides for NPAs at 120 dpd+ against the regulatory requirement of 180dpd+. The impact of higher NPA provisioning was partly cushioned by the increase in NIS and growth in earning loan assets and partly by improvement in operating efficiency.

For the 9M FY14 period,, Magma recorded 30% YoY increase in revenue at Rs 1556.2 crore and 15% yoy increase in PAT of at Rs 113.8 crore.

The performance is noteworthy in the backdrop of an extremely challenging environment wherein the primary sales of assets plummeted. The impact due to repeated increase in fuel price and inflation and subdued commercial activity has resulted in lower utilization of deployable assets and temporary cash flow constraints across customer segments. As a result, the company has made NPA provisions of Rs 129.2 crore in YTD FY14. While assisting customers who want more time to pay their dues, the company recognizes NPA in its books as per original repayment schedule and does not restructure any contract in its books.

Commenting on the company's performance, Mr Sanjay Chamria, Vice Chairman and MD, Magma Fincorp Limited said, "In the back drop of a difficult environment and inconsistent cash flows in our customer's hands, we remain focused on maintaining our profitability and portfolio quality. Being consistent with this focus, while we have improved our net spreads and operating efficiency, we are seeing a turnaround in collection efficiency. We will continue to work on further improving the portfolio quality."



"On the asset quality front, in line with our conservative approach to NPA recognition, we have made a significant amount of provisioning for NPAs and with a better performance expected during the ensuing quarters we will rollback these provisions ensuring superior profitability for the entity", added Mr Chamria.

About Magma Fincorp Limited

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

Magma provides a bouquet of financial products including financing of Utility Vehicles & Cars, Commercial Vehicles, Construction Equipment, Used Commercial Vehicles, Tractors and SME Loans. It has also entered Affordable Housing Finance, General Insurance and Gold Loans segments. Magma has a dedicated base of around 4.4 lakh active customers. The company has 280 branches in 21 states / 1 UT and employs around 8,973 people.

www.magma.co.in

For further details, pl contact

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For MAGMA FINCORP LIMITED


GIRISH BHATIA
Company Secretary