Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
West Bengal, India
T: 91 33 4401 7350 / 7200
E: magma@magma.co.in
CIN:-L51504WB1978PLC031813
Website:- www.magma.co.in

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May 7, 2014

The Secretary,
Corporate Relationship Department,
BSE Limited **(Company Code - 524000)**
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001

Manager,
Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza", **(Symbol – MAGMA)**
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub: Press Release in respect of Audited Financial Results for the financial year ended 31st March, 2014 and Fourth quarter ended 31st March, 2014

Enclosed herewith please find the Press Release on the Performance of the Company for the financial year ended 31st March, 2014 and fourth quarter ended 31st March, 2014.

This is for your information and record.

Thanking You,

Yours faithfully,
For **Magma Fincorp Limited**

Girish

Girish Bhatia
Company Secretary

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PRESS RELEASE

Magma Fincorp Ltd. - FY 2013-14 highlights

PAT at 160 crore, Revenue up 24%, NIS up by 89 bps

Total Loan Book as on 31 March 2014 at Rs 17877 crore, up 10%

Kolkata, 7 May 2014: Leading asset finance company, Magma Fincorp Limited today announced the Q4 and FY 14 audited results that reflected a steady performance backed by a stablising NPA level and a modest increase in its loan book by 10% to Rs.17877 crs.

While on an annualized basis, Revenue recorded was Rs 2117 crore, up 24%, Profit After Tax (PAT) for the company was Rs.160 crore, a 10% improvement over FY13. The Capital Adequacy Ratio (CAR) of the company stood at 16.6% as on 31st March 2014.

The company recognizes NPA at 4 months default as compared to the RBI requirement of 6 months as also makes a higher provisioning for standard assets. As a result, including the reversal of income on such early recognised NPA contracts the company has made an additional provision of Rs.40.47 crs. In addition to the above and in line with the RBI guidelines, the Company recognizes income on the securitisation and direct assignment transactions only when redeemed in cash, even if they are standard assets, and as a consequence the gross income on securitisation and assignment of loans is lower by Rs 74.36 crores on a consolidated basis.

Commenting on the company's performance, Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited said, *"In the back drop of a challenging environment and inconsistent cash flows in our customer's hands, we have yet again exhibited resilience in our performance and have been able to control the NPA levels even though we follow a principle of recognising NPAs at 4 months default, a good 2 months earlier than what the RBI regulates it at. In my view the worst on the portfolio quality is behind us and we are truly on path to recovery and will remain focused on maintaining our profitability and portfolio quality. Moreover, our more than required provisions for both the standard and non performing assets and recognition of income on securitized portfolio only when recovered coupled with several prudent and strategic interventions made by us in the collections process during the year will in my view hold us in good stead and result in significant improvement in our performance during the FY 15.*

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While the last few quarters have been challenging for the entire financial services industry, we have used this opportunity to implement various initiatives and best practices in our sales function all focused at delivery of impeccable services to our customers. With our constantly evolving product mix, further growth of the mortgage business and the General Insurance business becoming profitable during FY15, I hope the current year will be more productive for us and with the overall collections performance already improving we hope to roll back the provisions made during the past year and improve the overall profitability of the group", 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 Equipments, 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 4.5lac active customers and has Total Loan Assets of INR 17877 crore. The company has 274 branches in 21 states / 1 UT and employs around 9800 people.

www.magma.co.in

Certified To Be True Copy
For MAGMA FINCORP LIMITED

GIRISH BHATIA
Company Secretary

For further info, pl contact:
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