

Magma Fincorp Limited
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January 14, 2011

The Secretary,
Corporate Relationship Department,
Bombay Stock Exchange 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 Third Quarter ended 31st December, 2010.

Enclosed herewith please find the Press Release on the Performance of the Company for the Third Quarter ended 31st December, 2010.

This is for your information and record.

Thanking You,
Yours faithfully,
For **MAGMA FINCORP LIMITED**

A handwritten signature in black ink, appearing to read "Girish", written over a horizontal line.

Girish Bhatia
(Company Secretary)

Q3, FY 11

Magma Fincorp PAT up 82%
Disbursement up 21%, YTD NIM at
5.1%

Kolkata, 14 January 2011:

Magma Fincorp Limited, an asset finance company registered with the Reserve Bank of India, has announced strong numbers for the third quarter of the current financial year. The company's performance shows all round growth with increase in Revenue, Disbursements and Profits over the corresponding quarter of last year. Disbursements increased 21% to record Rs. 1274.17 crore against Rs 1048.84 crore achieved in Q3 last year. The company registered Profit before Tax (PBT) of Rs 49.03 crore and Profit after Tax (PAT) of Rs 32.68 crore an increase of 80% and 82% respectively over the corresponding quarter last year.

The 9M FY 11 (April – December 2010) performance of the company showed strong growth with disbursements growing 29% to record at Rs 3460.09 crore. PAT was up by 72% to Rs 77.21 crore. YTD NIM was recorded at 5.1%.

Collections remained a major highlight of Magma's performance with YTD Collections Efficiency of 100.8%. The write offs as a percentage of the AUM was 0.30%.

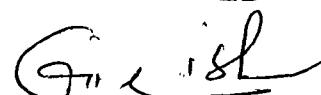
The company recorded strong growth in Tractor, Car, Commercial Vehicle and Used Vehicle finance during the quarter under review compared to the corresponding period last year. While Tractor finance grew by 127%, Car finance grew by 32%, Commercial Vehicle finance by 21% and Used vehicle finance grew by 106%. The company also recorded 63% growth in SME loans. Magma further improved the share of high yield products (used commercial vehicle finance, Tractor finance and SME finance) in the overall disbursement to 22% from 13% recorded in FY 10.

Commenting on the company's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "Magma has recorded yet another strong performance during the third quarter of the current financial year with almost all products recording healthy growth over the corresponding quarter last year. We have recorded 21% growth in disbursement and 82% growth in PAT. Our Collections performance, which has been setting new industry benchmarks, has touched a new high of 100.9% in the quarter.

"The company is ready for the final burst as we enter the last quarter which generally happens to be our biggest quarter. We will aggressively push our volumes with a clear focus on high yield products to end the year on all time high. We are also quite hopeful that we will achieve an all time high collection efficiency and a higher NIM compared to last year" added Mr Chamria.

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For MAGMA FINCORP LIMITED

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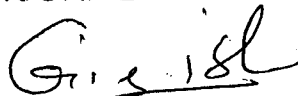
GIRISH BHATIA
Company Secretary

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, Tractors and SME Loans. Magma has a base of over 2.35 lac "live" customers and has assets of approximately INR 9874 crores under management. The company has 172 branches in 20 states and 1 union territory and employs about 4900 people.

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For MAGMA FINCORP LIMITED


GIRISH BHATIA
Company Secretary