

Magma Fincorp Ltd. – Q1 FY 14 highlights
PAT up 38%, Revenue up 45%, NIS up by 116 bps
Loan assets increase 28% over Q1 FY 13

Kolkata, 18 July 2013: Leading asset finance company, Magma Fincorp Limited today announced the Q1, FY 14 results that reflected impressive growth in revenue and profits despite a severe slowdown in the economy. In the backdrop of a 116 bps increase in spreads the company registered a robust 45% growth in revenue for the quarter at Rs 510 crores against Rs 352 crores in Q1 of FY 13 and registered a PAT of Rs.45.4 crores, up 38% over Rs 33.0 crores recorded during the corresponding period last fiscal. The company's Loan Book increased 28% to Rs 16274 crores as on 30 June 2013.

The company registered a Net Interest Spread (NIS) of 5.54% for the quarter against 4.38% in Q1 FY 13.

The performance is significant in the backdrop of a difficult phase the industry is passing through when major products like Car, Commercial Vehicles etc have de-grown. The impact of higher fuel price, inflation and eroding rupee cast a deep negative impact on the sector and as a result, collections too faced a tough quarter with customers suffering from erratic cash flows and large infra projects have virtually stalled across zones. As a consequence of conscious efforts to maintain portfolio quality, the provisions and write offs of the company at Rs. 36.09 crs for the Qtr 1 was lower than the Rs. 36.54 crs provided for Qtr 4 of the last fiscal.

Commenting on the company's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "We have yet again exhibited resilience in our performance despite the industry going through a very difficult phase. Our performance highlights were the growth in revenue and PAT owing to a 116 bps increase in spreads and effective management of our diversified portfolio quality. Our new businesses of General Insurance, Gold loans and Housing finance have all been launched in the last one year and need investment of time, efforts and money. However these will stabilise in the coming years and will further contribute to both top line and bottom line and overall it will improve the profitability of the company."

With the prediction of a good monsoon we expect the economic momentum to pick up from second half of the FY 14 and hope to leverage on the expanded basket of products and host of new locations opened last year to grow our top line and improve asset quality, 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 4.2 lac active customers. The company has 278 branches in 21 states / 1 UT and employs around 7800 people.