



Reaching New Heights in Retail Finance

• **Business Update – Q3 FY13**

• **Financial Results – Q3 FY13**

• **Business Overview & Strategy**

• **Leadership Team**

Business Update – Q3 FY13

1

Disbursements up by 20% y-o-y to Rs. 2,302 crore in Q3 FY13

2

NIS (Net Interest Spreads) on fresh disbursements increased by 52 bps over Q2 FY13 to 5.43%

3

Gross Income increase by 60% y-o-y to Rs. 445 crore

4

Profit After Tax increases by 174% y-o-y to Rs. 38.1 crore

5

23 branches opened in Q3 FY13 taking total operational branches to 263



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Summary – Q3 FY13 Results

Performance Highlights of Q3 FY13 Vs. Q3 FY12

Q3 FY13

445

38.1

1.73

60%

174%

239%

Q3 FY12

278

13.9

0.51

Total Income

Profit After
Tax

EPS
(Rs/share)

Values in Rs. crore unless specified otherwise

Disbursements – Q3 FY13

Product	Disbursement (Rs. crore)	YoY growth	Product Mix	ATS (Rs. lakh)	LTV	Tenure (months)	Net IRR* (% p.a.)
Cars and MUVs	773	36%	34%	4.1	67%	44	14.5
CV	384	(-)26% ^	17%	8.3	86% #	44	14.3
CE	369	8%	16%	19.0	79%	39	13.8
Used CV	222	65%	10%	5.4	70%	36	19.1
Tractors	382	56%	17%	3.3	62%	45	20.1
SME Loans	172	62%	7%	22.7	N/A	31	16.9
Total	2,302	20%	100%	5.5	72%	41	15.8

Notes:

^ Reduced disbursement amount in CV due to strategic shift from MCV/HCV to SCV/LCV segments; Accordingly ATS has reduced reflecting higher share of LCV/SCV

LTV for CV has been calculated without considering cost of truck body, which is not funded. Inclusive of body in the cost of asset, LTV would be approx. 73%

* Net IRR is lending rate on reducing balance basis, net of payouts to Direct Selling Agents (DSA) and pay-ins from manufacturers/dealers (discounts/subventions).

Total Loan Assets

Loan Assets
(On + Off B/S)

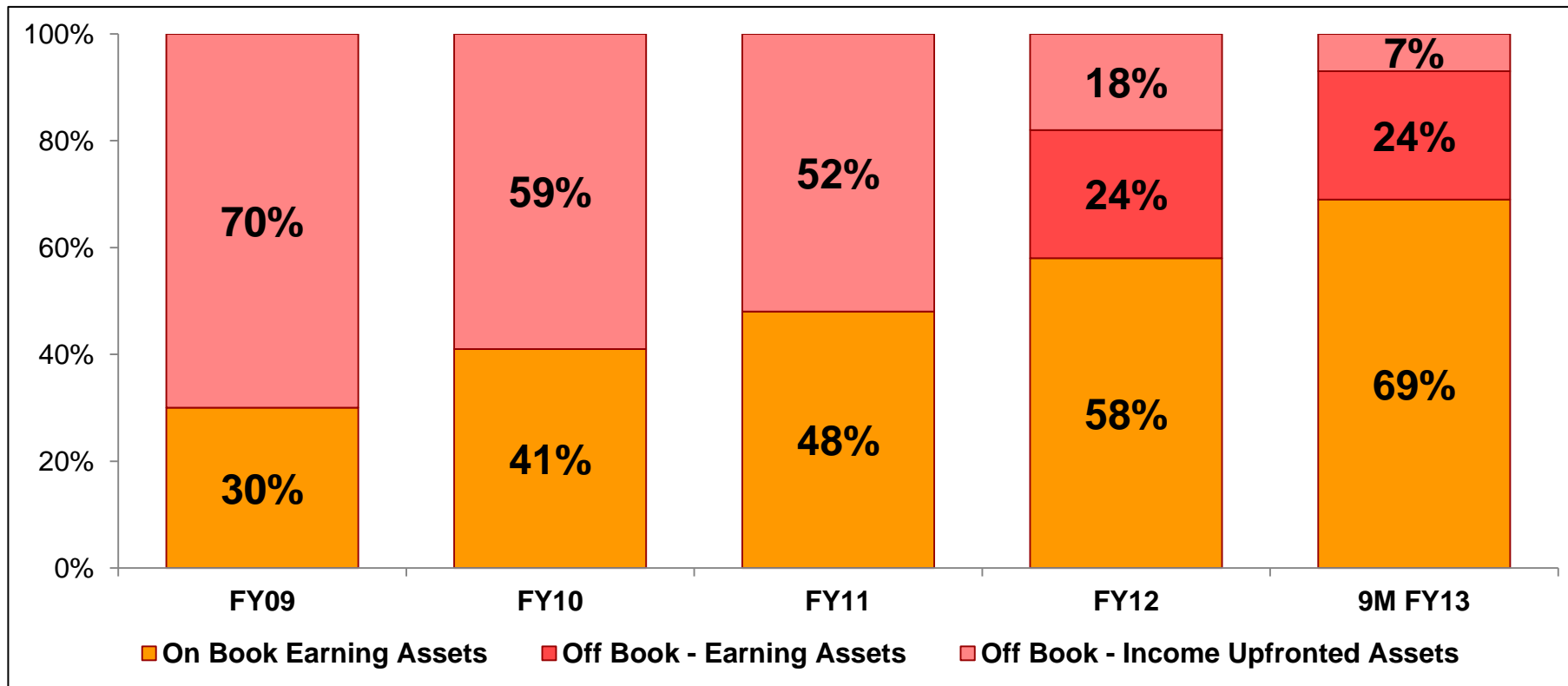
~ 7080

~ 8170

~ 9570

~ 12040

~ 14340



93% of the Loan Assets are Income earning as at 31st December 2012

Values in Rs. crore as at the end of period

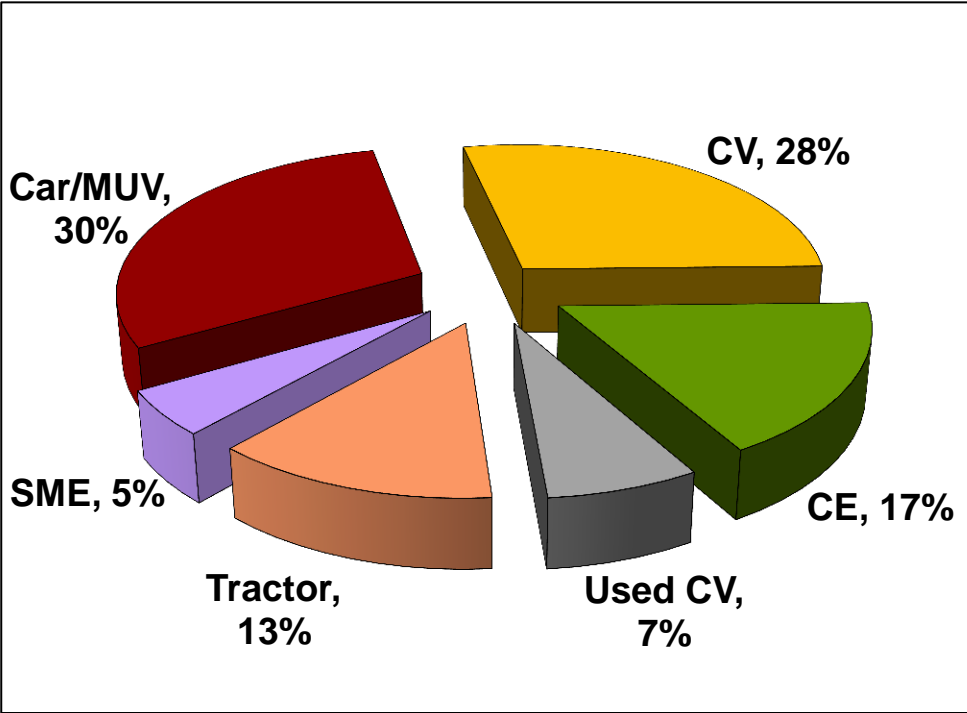


MAGMA
Investing in the smallest dream

Diversified Asset Portfolio

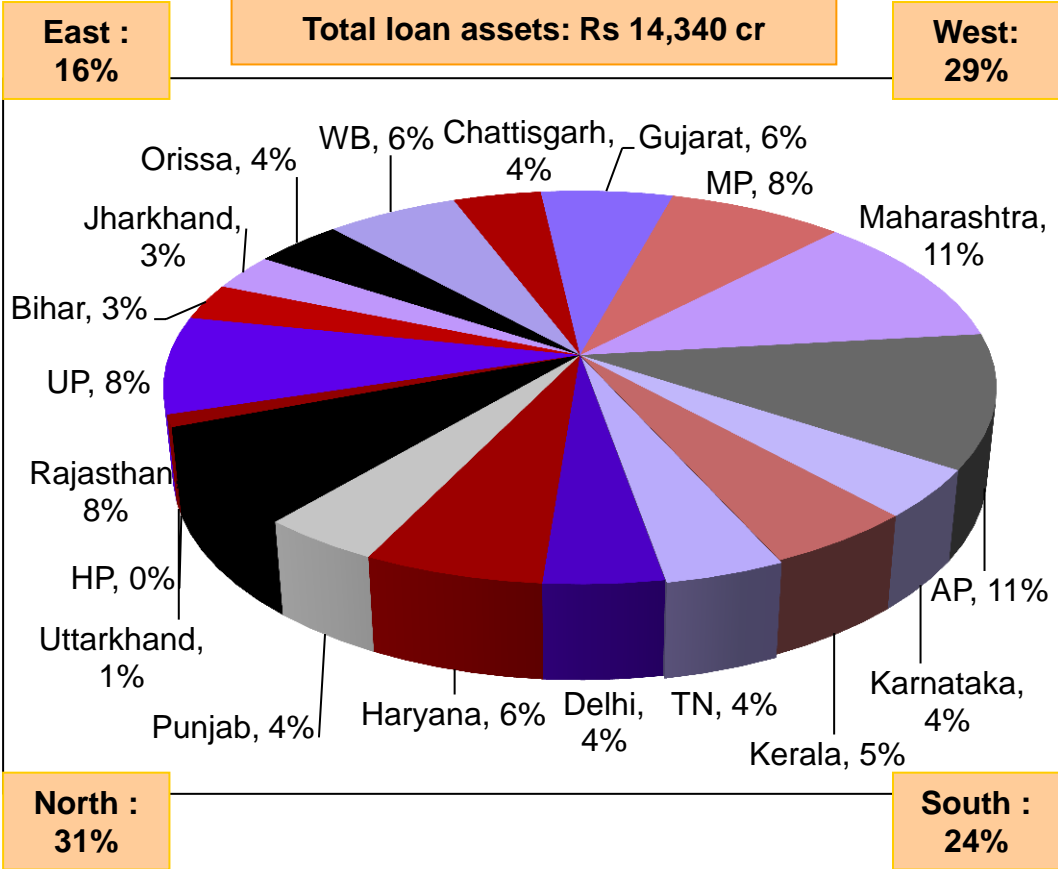
PRODUCT WISE EXPOSURE

Total loan assets: Rs 14,340 cr



STATE WISE EXPOSURE

Total loan assets: Rs 14,340 cr



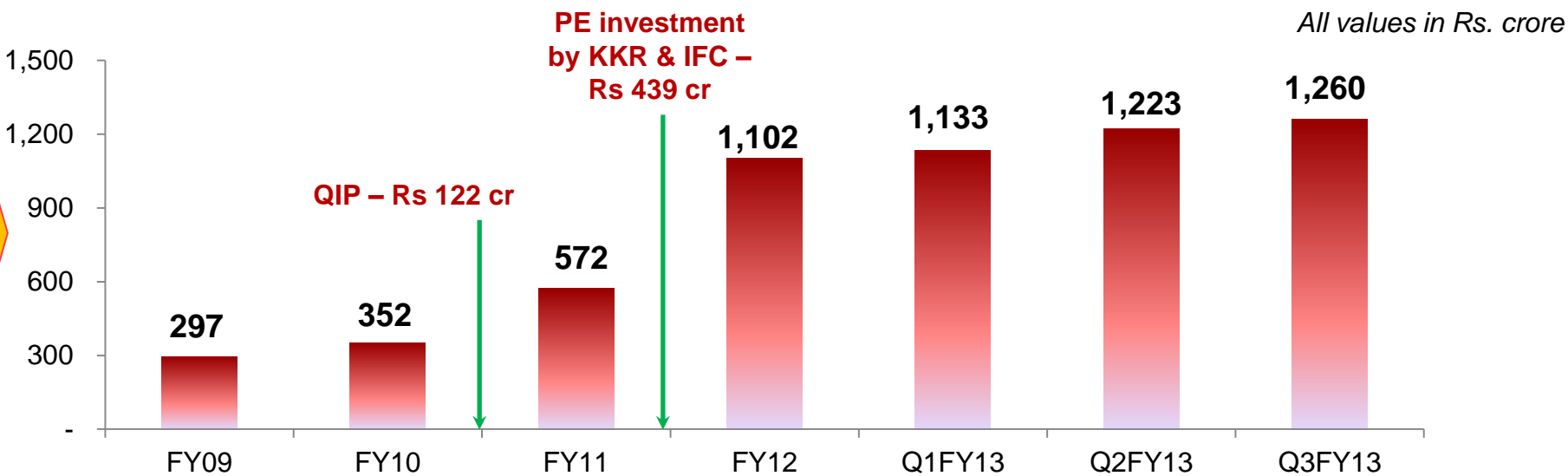
Diversification across products and regions minimizes impact/risk of external events

Includes On Book and Off Book Loan assets as on 31st December 2012

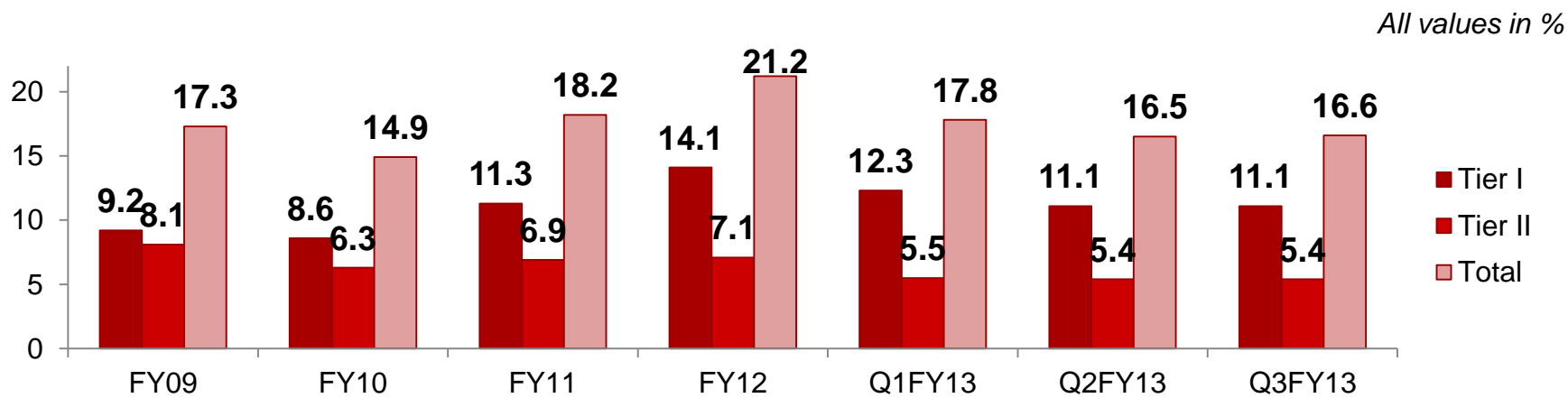


Capital Adequacy

NET WORTH



CAPITAL ADEQUACY



Value as on the last day of the period
 Figures may not tally fully due to rounding off



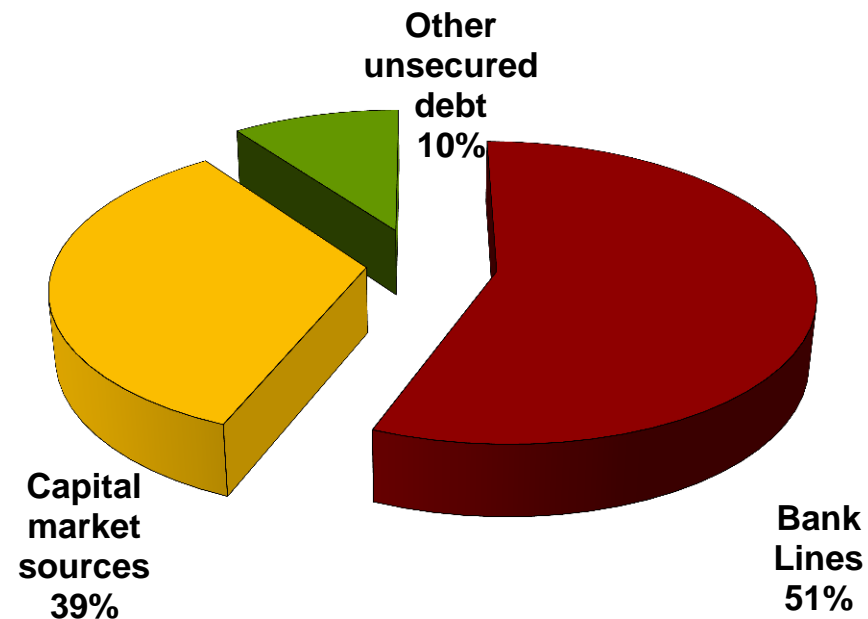
Liabilities

Diversified funding profile with a wide spectrum of lenders across banks, mutual funds, insurance cos, pension/provident funds, corporates, etc.

Bank lines provided by a consortium of 20 public & private sector banks including PNB, SBI, ICICI, Axis Bank, etc.

Instrument	Ratings
Short term	A1+
Long term	AA+
Preference shares	AA
Subordinated debt	AA
Perpetual debt	AA-

LIABILITY MIX

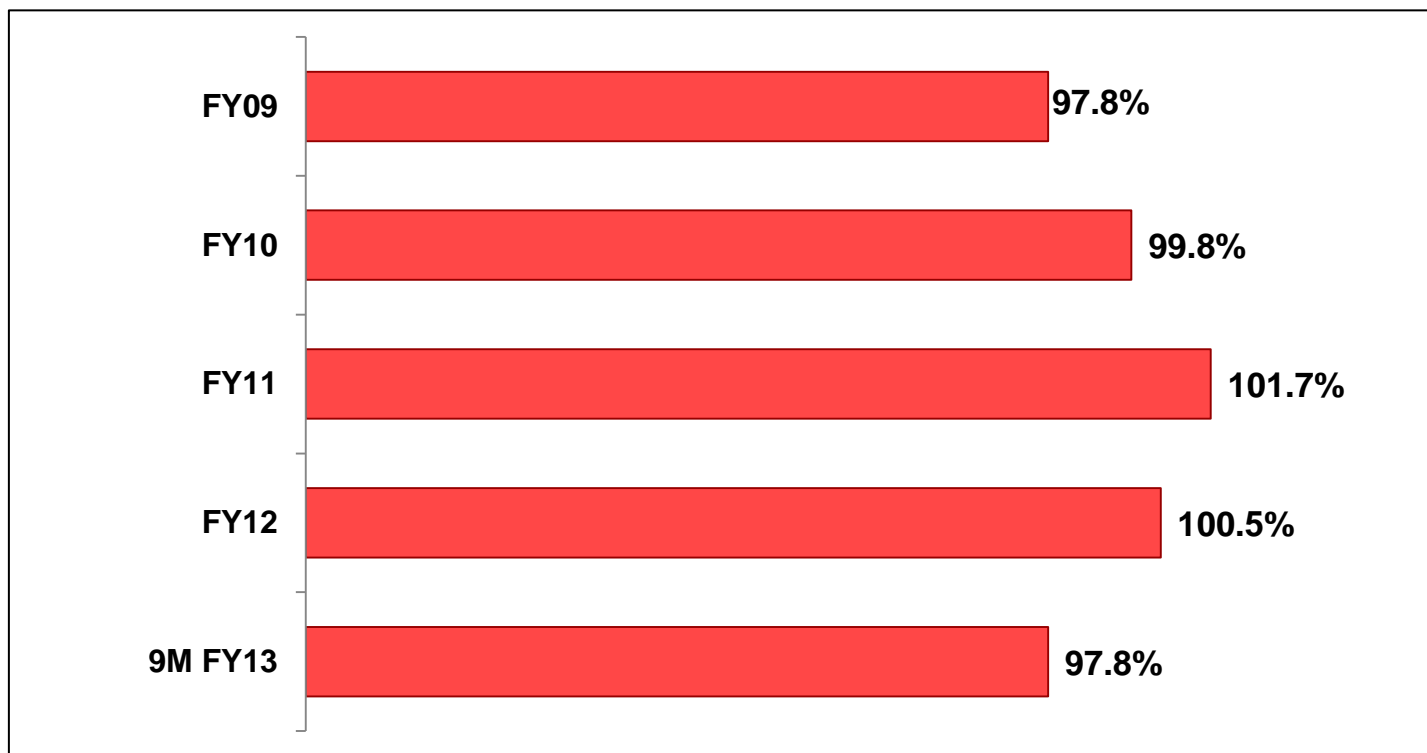


Total Debt O/S: Rs. 9,239 crore

Includes on book liabilities as on 31st Dec 2012

Collection Efficiency

Values in %



- Collection Efficiency is defined as installment collections made during the period divided by installments billed during the period as percentage

Accelerated Adoption of RBI Draft Guidelines on 'Prudential norms'

PROVISIONING NORMS

	Magma's Revised Provisioning Policy		Existing RBI Norms for NBFCs			
	Months Past Due	Secured	Unsecured	Months Past Due	Secured	Unsecured
Standard	0 to 4 months	0.30%	0.30%	0 to 6 months	0.25%	0.25%
	> 4 to 16 months	15%	25%	> 6 to 24 months	10%	10%
Sub Standard	> 16 to 28 months	25%	100%	> 24 to 36 months	20%	100%
	> 28 to 52 months	40%	100%	> 36 to 60 months	30%	100%
	> 52 months	100%	100%	> 60 months	50%	100%
	Loss Assets	100%	100%	Loss Assets	100%	100%
Doubtful						

These provisioning norms are considered the minimum and higher provision is made based on perceived credit risk where necessary.

Provisioning

DETAILS OF PROVISIONING

All values in Rs. crore

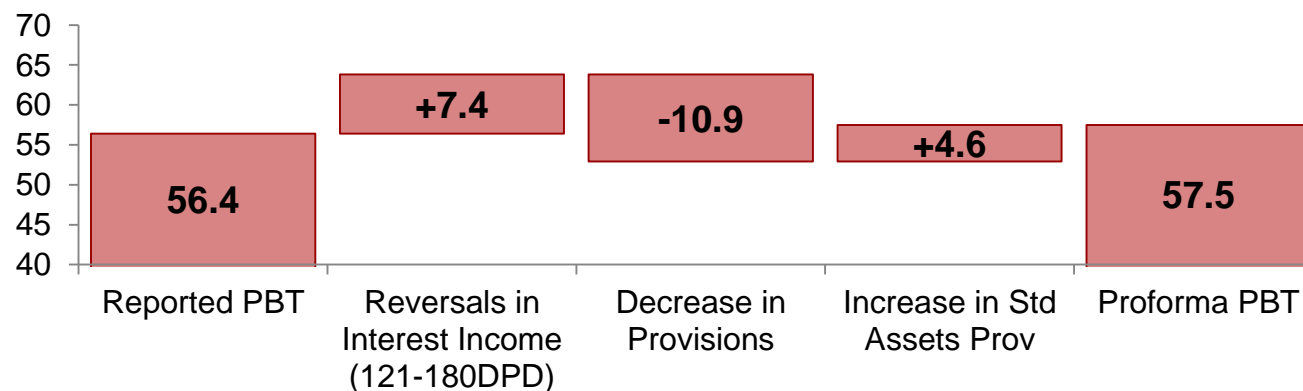
Particulars	Value	%age of total loan assets
GNPA (>120 DPD)	189	1.3%
Less: NPA Provisions *	31	
Net NPA	158	1.1%

Magma followed 100% write off of 180+DPD assets till 31 Mar 2012

The NPA provisions do not include the written off amounts

IMPACT OF CHANGES IN NPA RECOGNITION

All values in Rs. crore



Profitability

Particulars	Q3 FY13	Q2 FY13	Q3 FY12	9M FY13	9M FY12
Total Income/Assets	15.9%	15.7%	14.1%	16.2%	14.1%
Interest exp./Assets	9.0%	8.8%	8.9%	8.9%	8.3%
Gross Spread	6.9%	6.9%	5.2%	7.2%	5.8%
Overheads/Assets	3.2%	3.5%	3.1%	3.6%	3.4%
Brokerage & Commission Exp/Assets	0.9%	0.9%	0.5%	0.9%	0.5%
Net Write Offs & Provisions/Assets	0.6%	0.7%	0.3%	0.6%	0.4%
Std. Asset Provisions/Assets	0.2%	0.1%	0.1%	0.2%	0.1%
Net Spread (pre tax)	2.0%	1.7%	1.0%	2.0%	1.4%
Return on Assets	1.4%	1.1%	0.7%	1.3%	1.0%
Return on Net Worth	10.6%	8.1%	3.6%	9.6%	6.5%

Figures may not tally fully due to rounding off

Profit & Loss Statement (Consolidated) – Q3 FY13

Values in Rs. crore unless specified otherwise

Amt in Rs Cr	Q3 FY13	Q3 FY12	9M FY13	9M FY12	Q3 YoY %	9M YoY %	FY12
Disbursements	2302	1915	6621	4895	20%	35%	7404
Income							
- Income from Operations	423.9	273.2	1131.1	728.8	55%	55%	1031.5
- Other Income	21.5	5.1	64.5	22.5	326%	187%	31.5
Total Income	445.5	278.2	1195.5	751.3	60%	59%	1063.0
- Finance Costs	252.2	175.8	660.1	441.3	43%	50%	625.4
- Employee Benefit Expenses	49.1	34.4	143.3	108.7	43%	32%	149.0
- Depreciation	8.9	6.3	28.7	19.0	40%	51%	29.6
- Brokerage & commission	24.2	10.8	64.9	25.5	124%	154%	37.8
- Provisions against Standard Assets	4.7	2.5	12.0	7.4	86%	62%	6.4
- Provision for NPA/ Net writeoffs	17.3	6.7	46.0	19.0	159%	143%	24.3
- Other Expenses	32.7	21.1	93.4	54.2	55%	72%	86.7
Total Expenses	389.1	257.7	1048.4	675.1	51%	55%	959.3
Profit Before Tax	56.4	20.6	147.1	76.2	174%	93%	103.7
Tax (incl. Deferred Tax)	18.3	6.7	47.8	23.9	174%	100%	25.9
Profit After Tax	38.1	13.9	99.3	52.3	174%	90%	77.8
Earnings per share (Rs.)	1.73	0.51	4.48	2.46	239%	82%	3.56
Book Value per share (Rs.)	65.9	57.7	65.9	57.7	14%	14%	58.1
Return on Avg. Assets	1.4%	0.7%	1.3%	1.0%	0.6%	0.4%	1.1%
Return on Net Worth	10.6%	3.6%	9.6%	6.5%	7.0%	3.1%	7.4%

Figures may not tally fully due to rounding off

Balance Sheet (Consolidated) – Q3 FY13 Closing

All amounts in Rs crore

Particulars	Dec-12	Dec-11	Mar-12
Shareholder Funds			
- Equity capital	38.0	38.0	38.0
- Preference Capital	165.7	146.9	142.7
- Reserves & Surplus	1221.9	1065.3	1063.6
Net Worth	1259.9	1103.2	1101.6
Minority Interest	24.0	17.2	18.8
Non Current Liabilities	3221.4	1913.7	2165.3
Current Liabilities	6876.5	5103.7	4759.7
Total Liabilities	11547.5	8284.6	8188.0
Non Current Assets			
- Fixed assets	173.5	178.0	178.8
- Non Current Investments	176.8	0.0	0.0
- Other Non Current Assets/ Long term Loans & Advances	6114.1	4653.7	4315.4
Current Assets			
- Cash & Bank balances	959.4	561.6	810.1
- Other Current Assets/ Short term Loans & Advances etc.	4123.8	2891.2	2883.7
Total Assets	11547.5	8284.6	8188.0

* Previous year figures have been regrouped /restated, wherever necessary

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CONTINUING TO TURN DREAMS INTO REALITY



Investing in the smallest dream

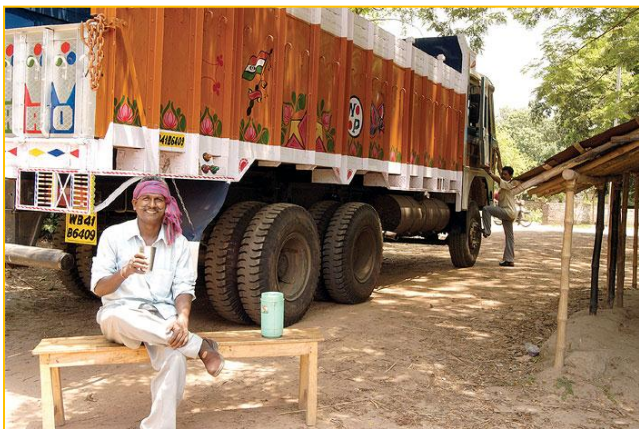
Magma caters to diverse financial needs of small entrepreneurs in rural* and semi rural* markets of India ...where large banks and institutions fail to reach and serve.



Magma's growth is a reflection of India's new emerging entrepreneurs, spurred by economic growth across states and sectors

* Based on company's market surveys and estimates

Target market and customers



**Magma understands financial needs of rural and semi rural India
... leverages this knowledge to create and build new markets**

<<< Financing First Time Truck Owners

**We finance small entrepreneurs to own construction equipment's,
or commercial vehicles**

... In the process, creating new entrepreneurs



Turning machine operators to owners >>>

**Magma focuses on farmers owning less than 6 acres of
agricultural land**

... and funds tractors for agri as well as commercial use

<<< Magma funds small land-owning farmers



Strengthening rural entrepreneurship and Magma's business potential

Product portfolio



All classes of trucks
(New/Used) – small, light,
medium, heavy



Backhoe loaders, excavators,
cranes, dumpers etc.



Passenger Cars and
Utility Vehicles



Tractors

Tailored for our
target markets and
customers

Affordable Housing



Loans to SMEs for working
capital / expansion



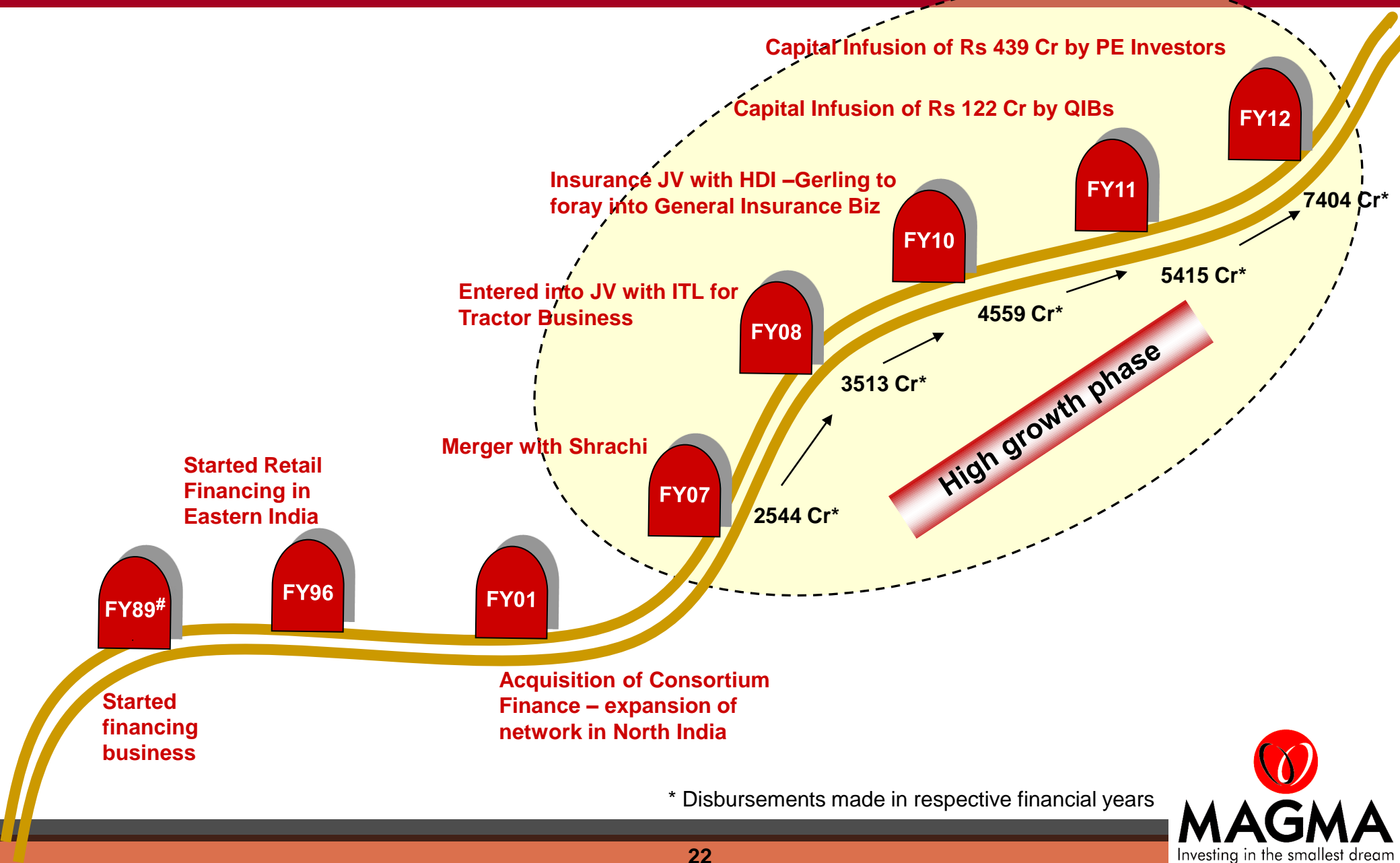
Loan against Gold



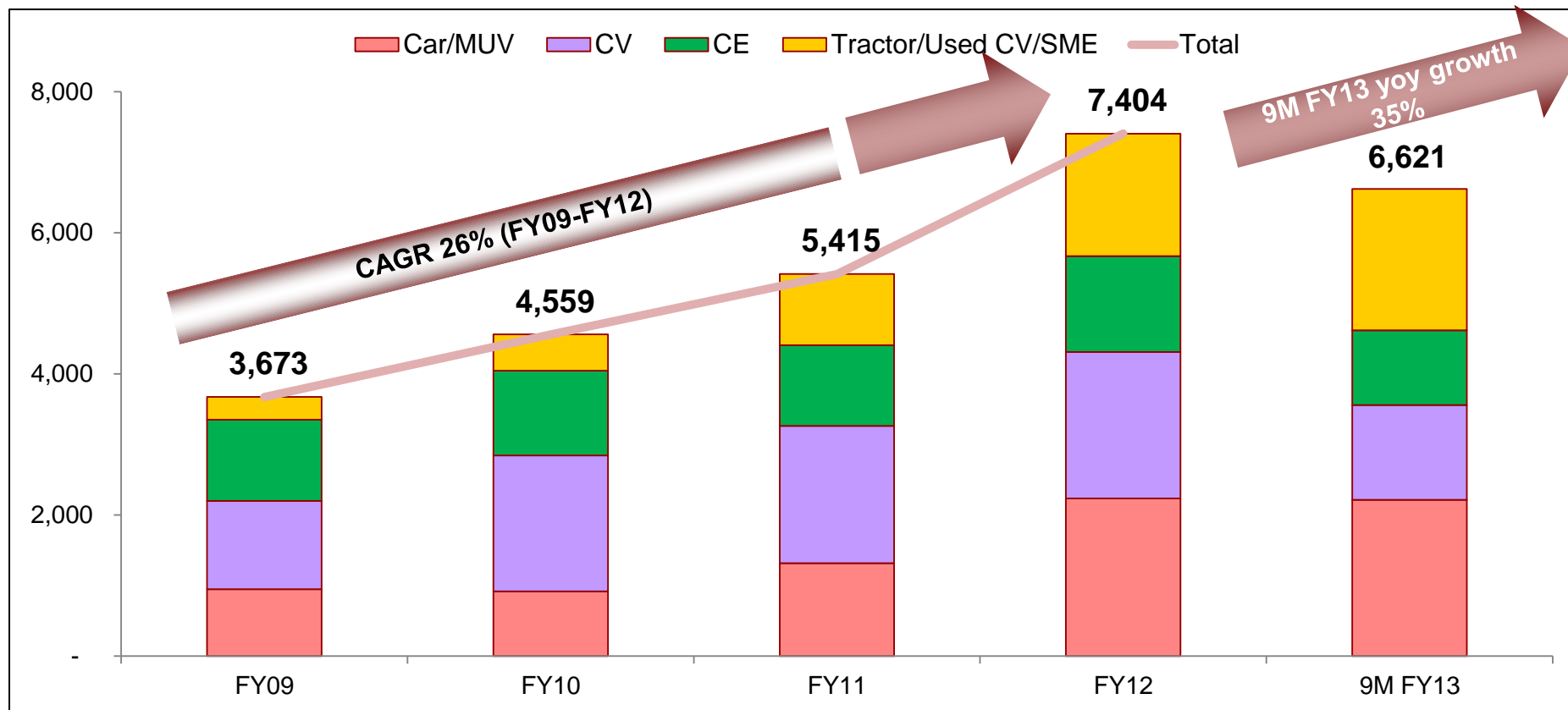
Infrastructure support for Asset
Insurance and Credit Covers



Over two decades of successful organic and inorganic growth



Disbursement growth

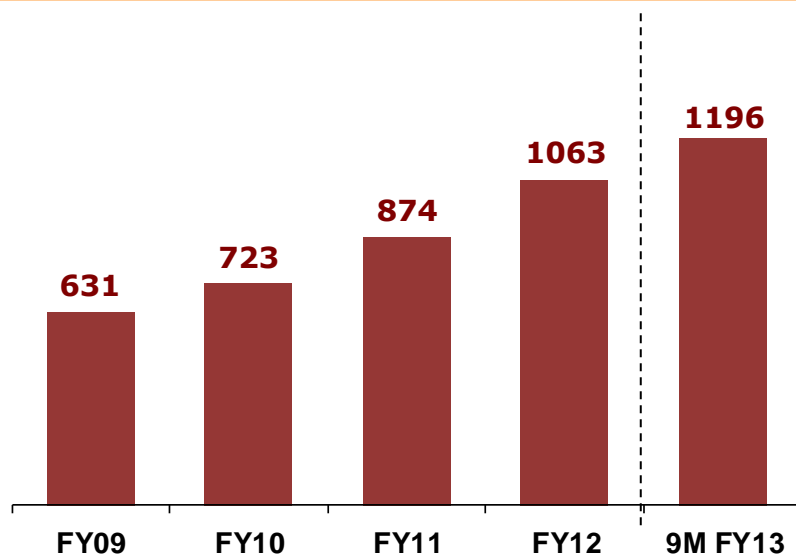


❑ Disbursement CAGR FY09-FY12

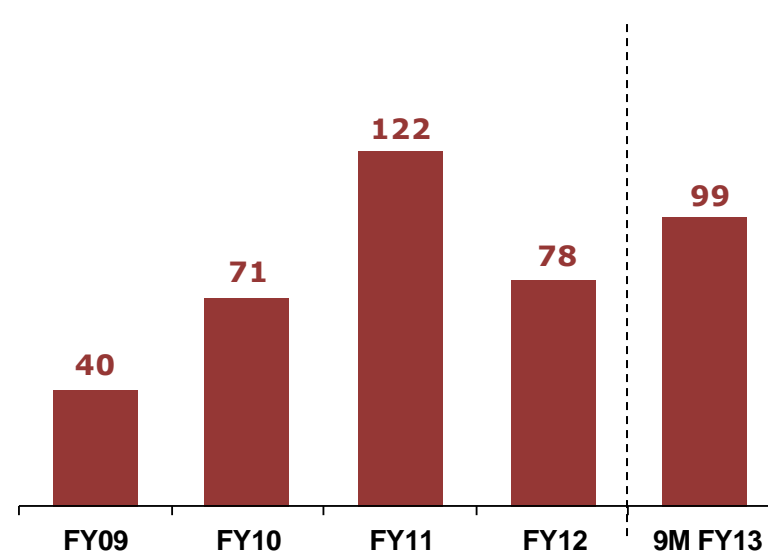
- Tractor - 113%
- Used CV - 58%
- SME - 57%

History of growth and profitability

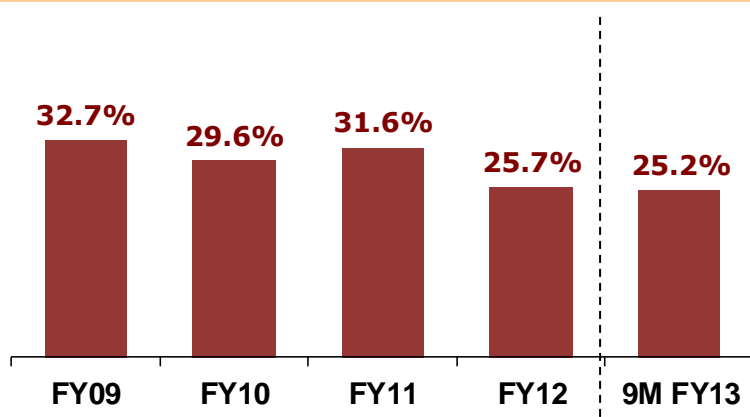
Total Income (Rs Cr)



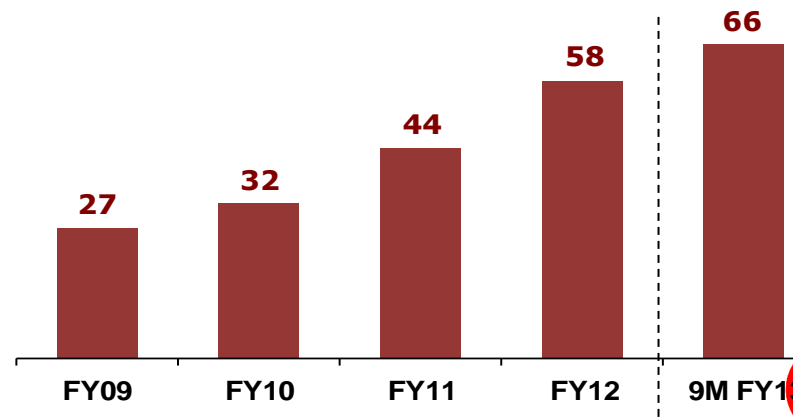
Profit After Tax (Rs Cr)



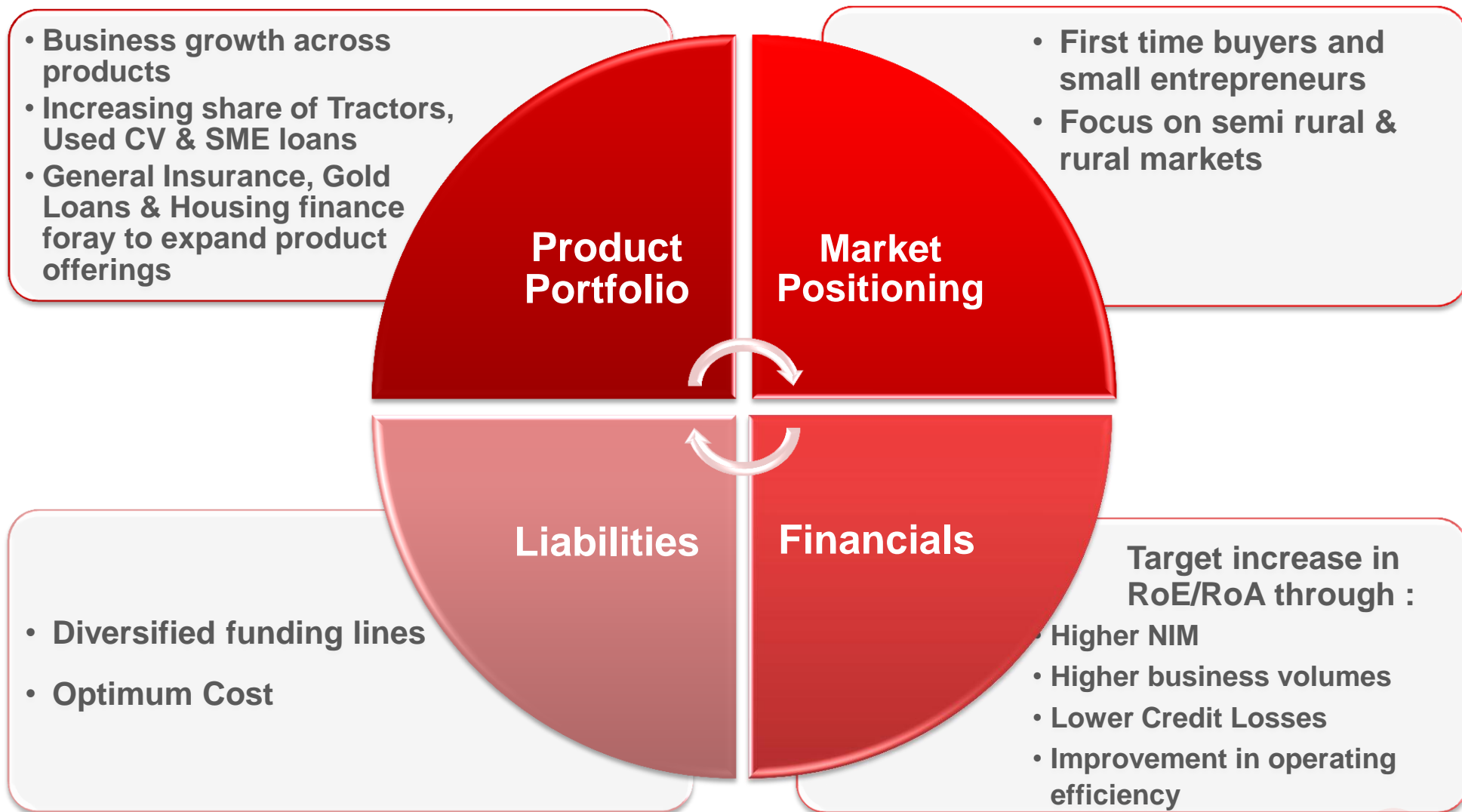
Operating Efficiency (Costs to Total Income Ratio)



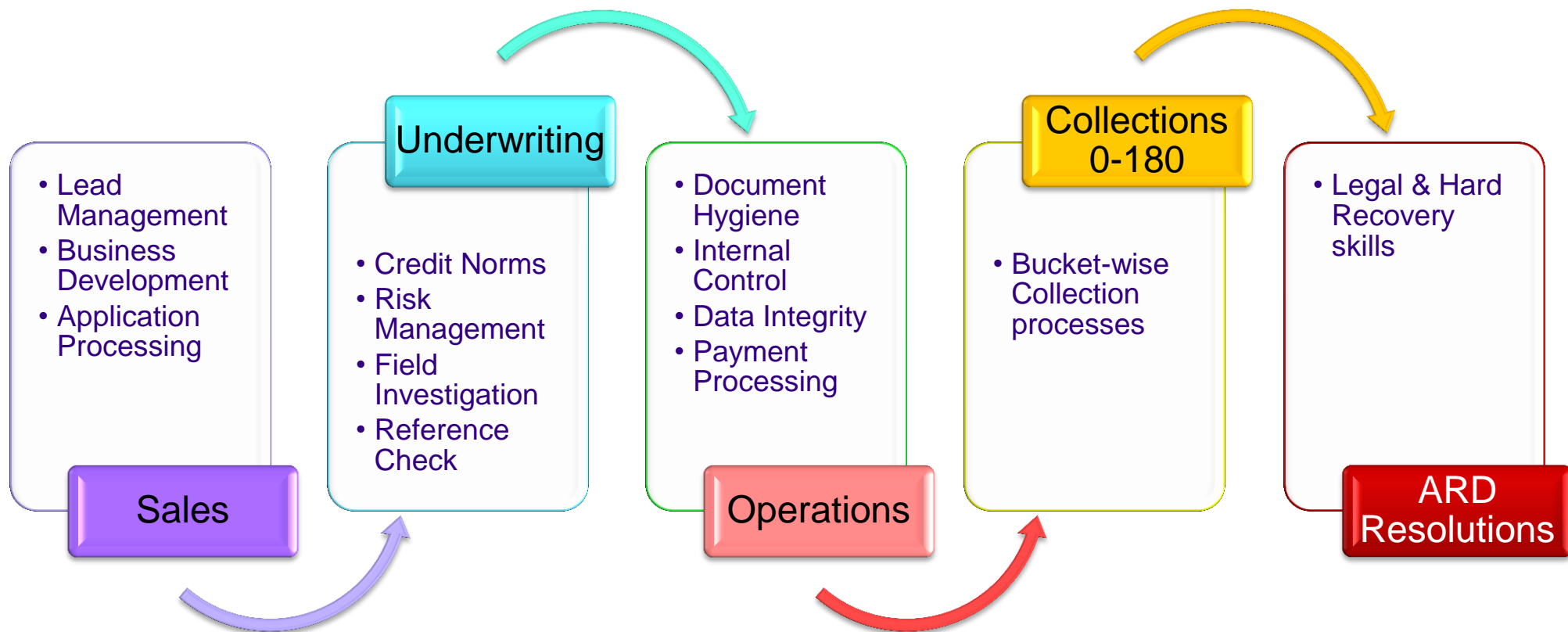
Book Value per share (Rs.)



Business strategy



Structure and processes



None of the functions are outsourced and incentives aligned to ensure robust portfolio quality



Underwriting approach

Credit Approach

Experience of borrower & Viability

- Years of relevant experience
- Asset Usage & Ownership
- Field Investigation by FI Team
- Trade Reference Checks
- Free Cash Flow ratios

Asset Quality

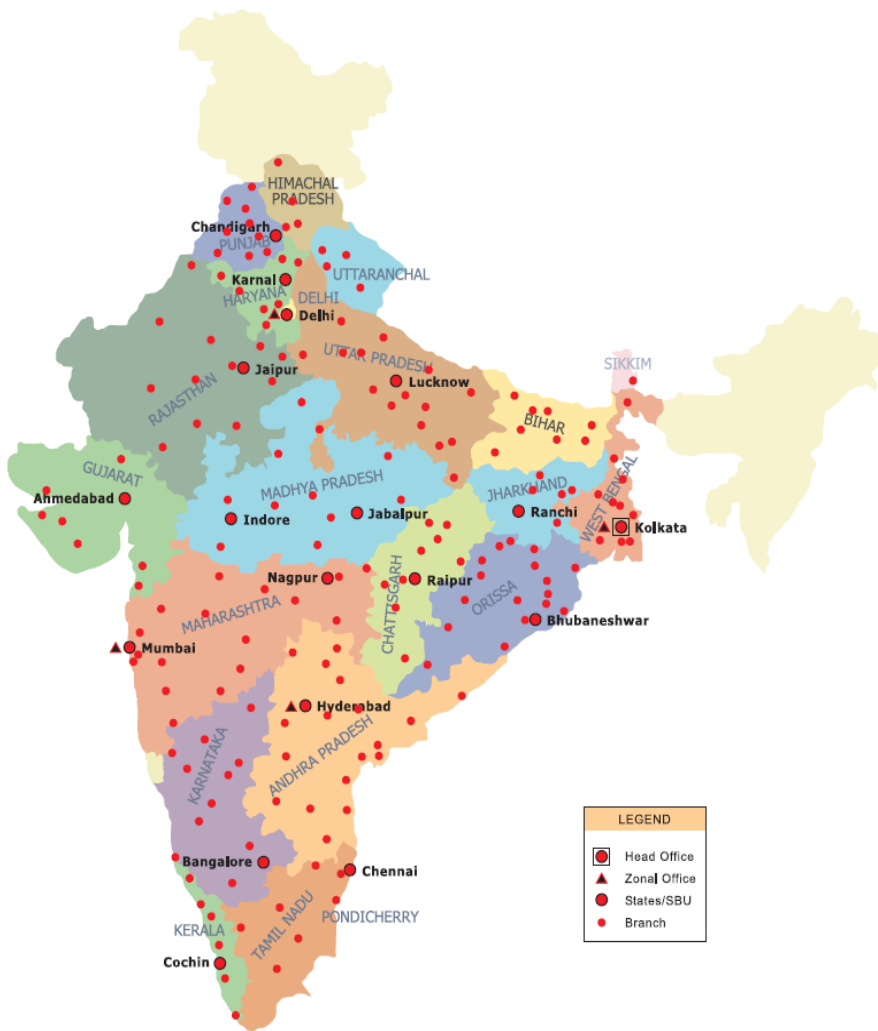
- Assets categorized into different levels based on market share and price realization on re-sale
- Retail grade of customers offered standard assets only
- LTV offerings based on customer profile

Documentation

- Standard Legal Documentation
- Cases vetted by Ops team at Pre & Post sanction stage
- RCU checks for minimizing forged documents

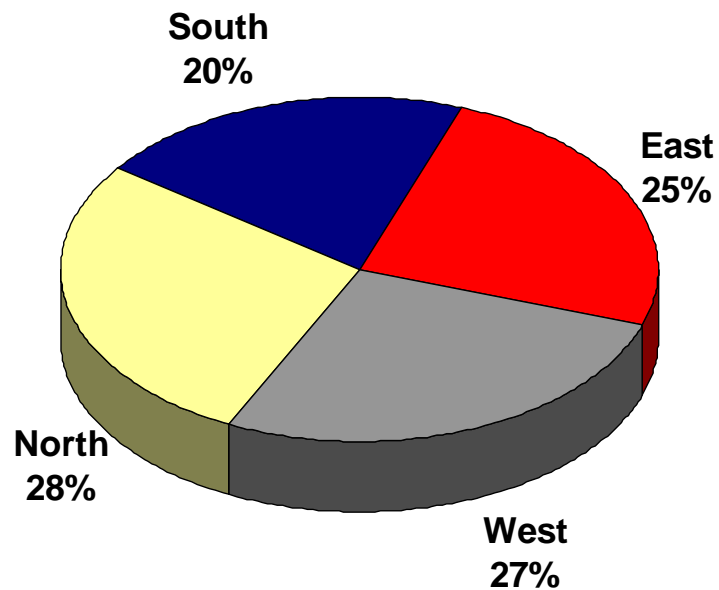


Branch network



263# Branches across 21 States / UT
 Covering ~**3,000** business clusters
74% Branches in rural*/semi rural* markets
Over 6,900 employees including ~ **5,600** field officers

Geographical Mix



As of Dec 31, 2012 ; * Based on company's market surveys and estimates

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Management Team



ASHUTOSH SHUKLA – COO, ASSET FINANCING BUSINESS (AFC), NEW DELHI

Experience of over 25 years in Magma and Consortium Finance (acquired by Magma), had setup the business in North and West Zone and headed Collections/ARD vertical prior to current role. Currently heading Sales, Credit & Operations verticals for the entire AFC business.



V LAKSHMI NARASIMHAN – CHIEF FINANCIAL OFFICER, MUMBAI

Experience of over 22 years in Magma and Consortium Finance (acquired by Magma), Incubated SME Loans & Tractors business in Magma. Also served as National Credit and Risk Head.



GURUPRASAD PATTNAIK – CHIEF OF RECEIVABLES MANAGEMENT, KOLKATA

Served as National Sales Head & Head of business for South and East India in Magma prior to current role. Experience of over 30 years of which 12 years was with Magma Fincorp



SACHIN KHANDELWAL – MD & CEO, MAGMA HOUSING FINANCE CO, NEW DELHI

Ex-MD of ICICI Home Finance; Joined Magma in Aug 2012

Industry veteran with over 20 years of experience in sales & marketing roles in home financing sector

Management Team



KAILASH BAHETI – CHIEF STRATEGY OFFICER, KOLKATA

Ex-CEO of Century Extrusions. Extensive experience in finance, accounts, compliance budgeting and legal functions. Responsible for charting the growth strategy of Magma as well as managing the Accounts, MIS & budgeting verticals



BRAHMAJYOTI MUKHERJEE – CHIEF PEOPLE OFFICER, KOLKATA

Worked as Head of Corporate HR in Hindalco prior to joining Magma
Experience of over 32 years across HR functions



SANDEEP WALUNJ – CHIEF MARKETING OFFICER, MUMBAI

Worked as CMO–Big Bazaar & Value Formats in Future Group; ; Joined Magma in Aug 2012
16 years of experience in Retail and FMCG in Future Group, Pepsico, Reckitt Benckiser



SWARAJ KRISHNAN – CEO, MAGMA HDI GENERAL INSURANCE CO LTD, KOLKATA

Ex-EO of Bajaj Allianz General Insurance
Industry veteran with experience in sales, underwriting and claims in the general insurance industry

Management Team



VIKAS MITTAL – BUSINESS HEAD, GOLD LOANS, MUMBAI

Previous assignments as MD & CEO of Enam Direct & MD of Citi Wealth Advisors
Extensive experience of over 20 years in brokerage and wealth management industry



MAHENDER BAGRODIA – NATIONAL CREDIT AND RISK HEAD, KOLKATA

Head of North Zone and setup Magma's business in Gujarat and Rajasthan prior to current role.
Experience of over 18 years of which 12 years with Magma Fincorp



SUMIT MUKHERJEE – NATIONAL SALES HEAD (TRACTORS AND USED CV), MUMBAI

National Sales Head for High Yield Products and Credit and Risk Head at Magma prior to current role.
Worked with Citi Corp as VP prior to joining Magma. Over 18 years of experience in sales.



RAJ KUMAR KAPOOR– CHIEF INTERNAL AUDITOR, KOLKATA

Worked as Head of internal audit in Jubilant Organosys and Dr Reddys Lab. prior to joining Magma
Experience of over 25 years in audit services



DINESH CHANDNA – CHIEF INFORMATION OFFICER, KOLKATA

Worked as CTO of Aksh Optifibre and CIO of Genpact prior to joining Magma
Experience of over 29 years in the IT/ITES industry



Board of Directors

3 NON INDEPENDENT DIRECTORS

MAYANK PODDAR – PROMOTER & BOARD CHAIRMAN

Contributes in policy formulation and provides overall support and guidance to the Management/Board. Over 30 years of experience in the financial sector.

SANJAY CHAMRIA – PROMOTER, VC & MD

Anchors strategic policy formulation and execution. Drives new business initiatives and leads management team in the achievement of goals

SANJAY NAYAR – NON EXECUTIVE DIRECTOR

Nominee of KKR in the Board

CEO and Country Head of KKR, India. Ex CEO of Citi India & South Asia operations. Was the Deputy Chairman of the IBA & Chairman of the Foreign Banks' Committee of the IBA

5 INDEPENDENT DIRECTORS

NARAYAN K SESHADRI

Entrepreneur consultant in distressed business turnaround. Former Country Head of KPMG Consulting and Head of Business Consulting in Arthur Andersen

NEIL GRAEME BROWN

Co-Founder of Subito Partners Limited (UK). Ex-Partner of Coopers & Lybrand (now PwC) and Ex-Director of Apax Partners. 30 years of experience in M&A and PE sector.

KAILASH NATH BHANDARI

Ex Chairman & MD of New India Assurance and United India Assurance. Also worked as consultant of World Bank.

NABANKUR GUPTA

Founder of Nobby Brand Architects & Strategic Marketing Consultants. Recognised as one of the world's '20 Marketing Superstars' by Advertising Age International, New York.

SATYABRATA GANGULY

Chairman Emeritus of Exide Industries. Serves on the board of Indian Chamber of Commerce and Industry, Bengal Chamber of Commerce and Industry, and others.

Our shareholders

Top Institutional Shareholders

Overseas Bodies

- KKR and Co
- IFC, Washington

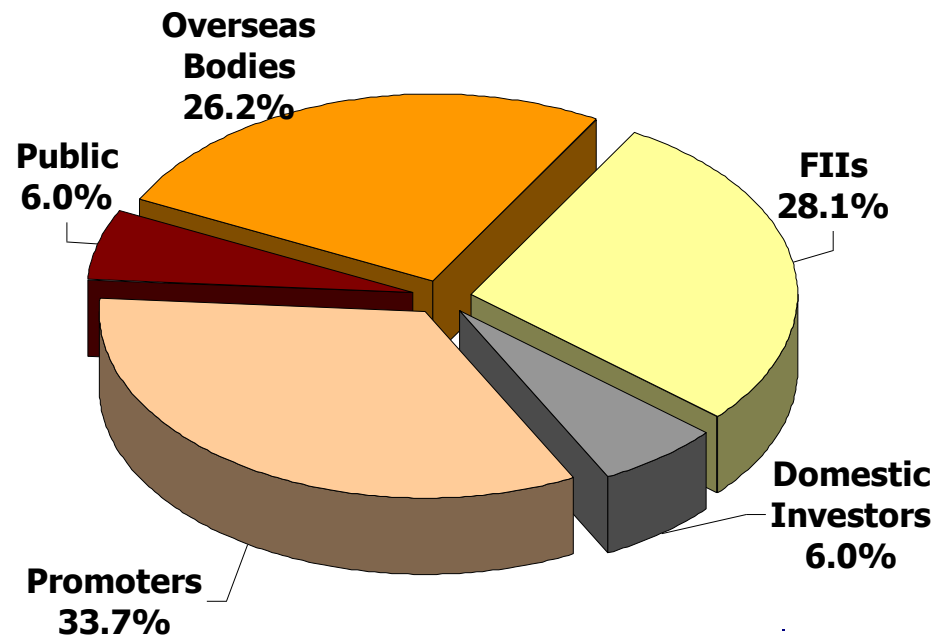
FII's

- India Capital Fund Ltd
- Wellington Management
- Macquarie Bank Ltd

Domestic Investors

- Sundaram BNP Paribas Mutual Fund
- UTI Mutual Fund

SHAREHOLDING BREAKUP



As on Dec 31, 2012

Thank You



Forward Looking Statements

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.