



Reaching New Heights in Retail Finance

Table of contents

• Vision

• Business Overview – Q1 FY13

• Financial Highlights – Q1 FY13

• Strategy & Process

• Business Overview - Historical

• Board of Directors

CONTINUING TO TURN DREAMS INTO REALITY



Investing in the smallest dream

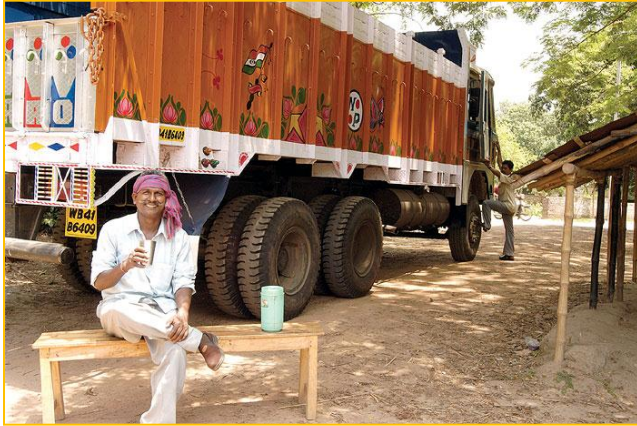
Magma caters to diverse financial needs of small entrepreneurs in rural* and semi rural* markets of India ...where large banks and institutions fail to reach and serve.



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

Our target markets 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

Our financing products



All classes of trucks - light, medium and heavy



Backhoe loaders, excavators, cranes, dumpers etc.



Passenger Cars and Utility Vehicles



Tractors

Tailored for our target markets and customers

Used Commercial Vehicles used in smaller areas



Loans to SMEs for working capital/ expansion



Gold Loan



Infrastructure support for Asset Insurance and Credit Covers



Table of contents

• Vision

• Business Overview – Q1 FY13

• Financial Highlights – Q1 FY13

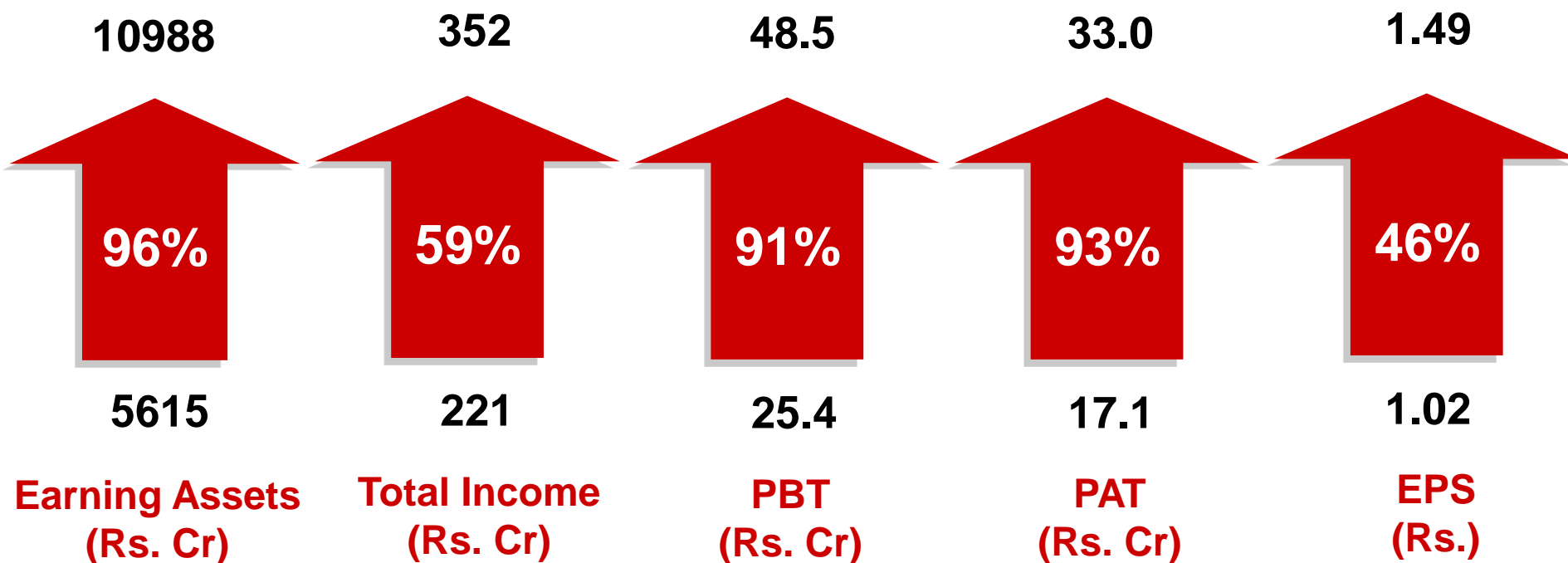
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• Business Overview - Historical

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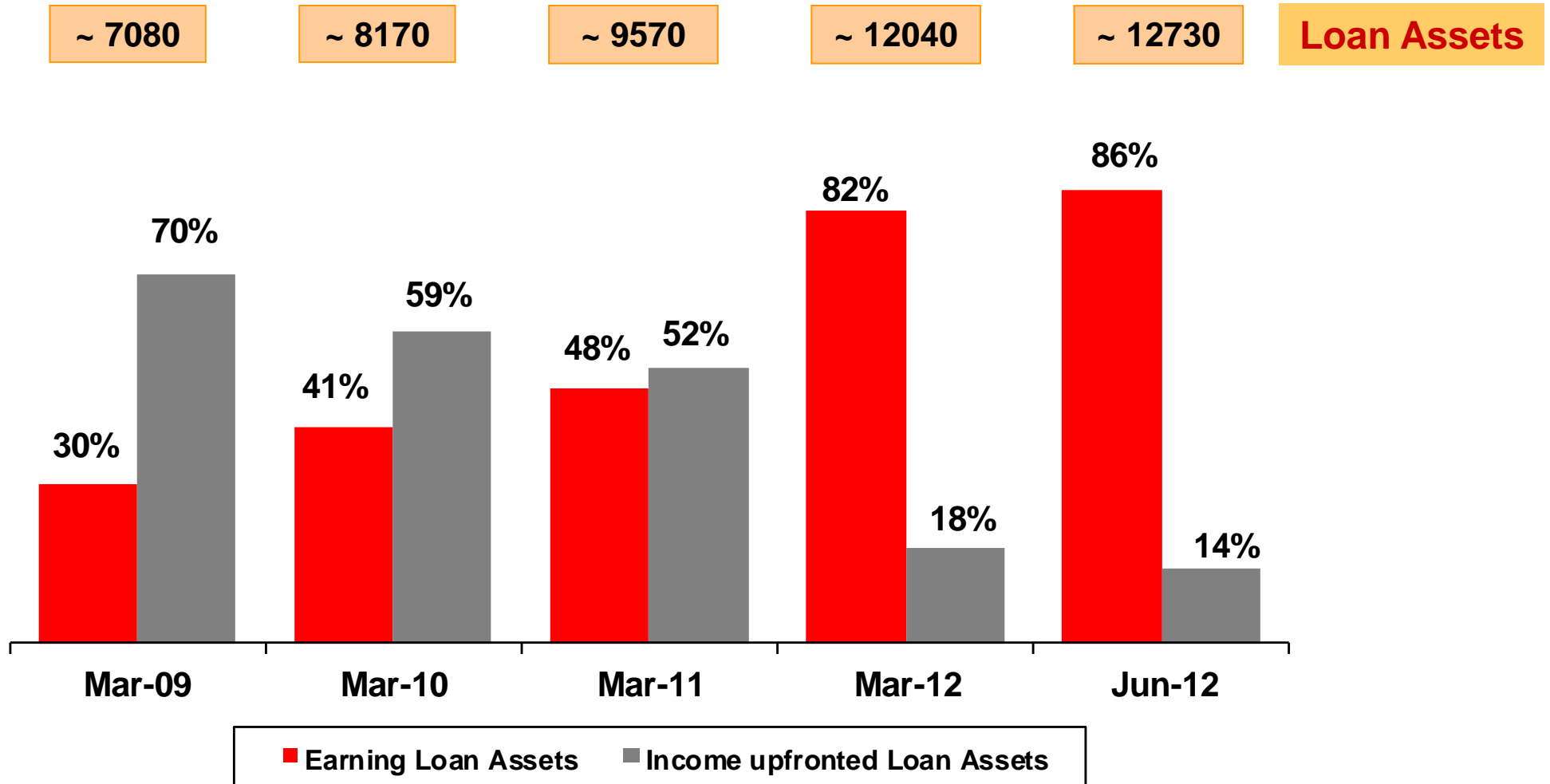
Financial performance Q1 FY 13

Performance Highlights of Q1 FY13 Vs. Q1 FY12



Enhanced Loan book

Amt in Rs. Cr



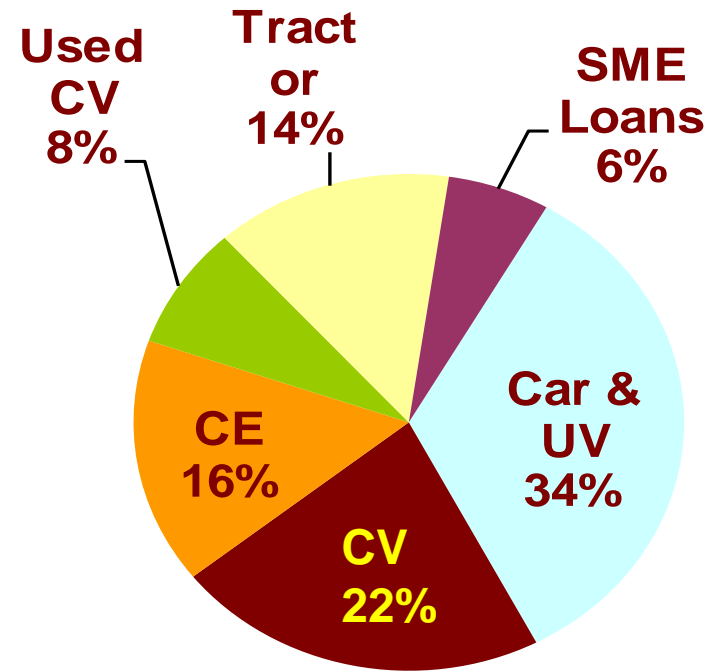
Expanding NIMs

Particulars	Q1 FY13	Q1 FY12	FY12
Total Income / Assets	16.0%	14.0%	14.9%
Interest Expense / Assets	8.4%	7.6%	8.8%
Gross Spread	7.6%	6.3%	6.1%
Overheads / Assets	4.7%	4.2%	4.3%
Write-offs & Provisions / Assets	0.7%	0.5%	0.4%
Net Spread (pre tax)	2.2%	1.6%	1.5%
RoA	1.5%	1.1%	1.1%

Capturing Market Share –Q1 FY 13

Product	Q1 FY12	Q1 FY13	Magma growth	Industry growth
Car	464	703	51%	9.7%
CV	416	455	9%	6.1%
CE	235	329	40%	N/A
Tractor	155	286	85%	2%
Suvidha	83	166	100%	N/A
SME	69	119	73%	N/A
Total	1422	2057	45%	-

Values in Rs crore



Disbursement mix

Gained market share significantly across Car/MUV, Tractors & Used CV

Product Overview...Q1 FY13

Product	ATS (Rs Lacs)	LTV %	Tenure Months	Net IRR * %
CAR	3.9	66%	43	14.5%
CV	11.5	87%#	44	13.7%
CE	23.3	81%	39	13.4%
Tractors	3.3	62%	45	19.7%
Used CV	5.3	70%	35	19.3%
SME Loans	30.0	NA	29	16.8%
TOTAL	5.8	73%	41	15.4%

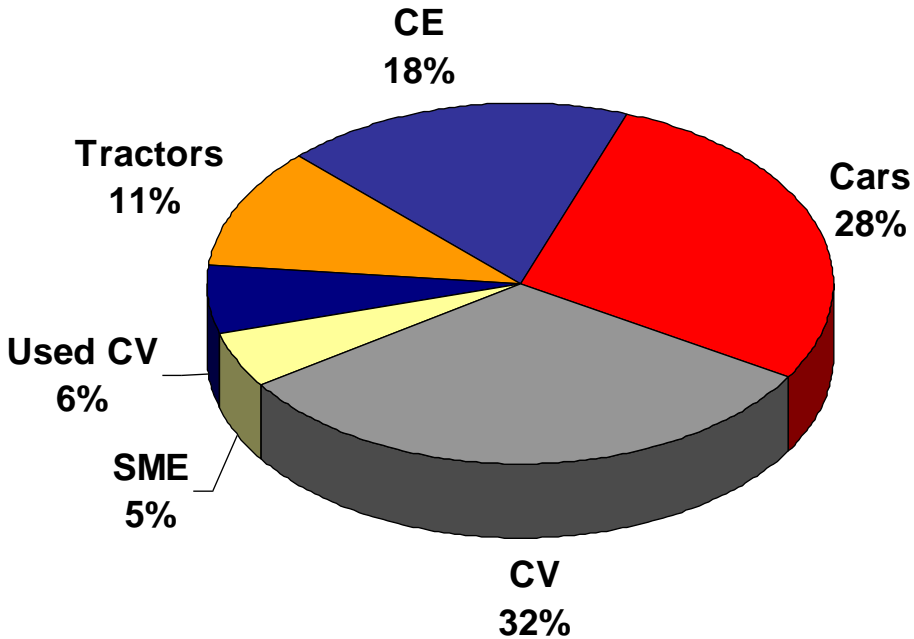
Notes

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 and pay-ins from manufacturers/ dealers. Net IRR indicated above is for full Q1 FY13 and current rates may vary.

De-risked business strategy

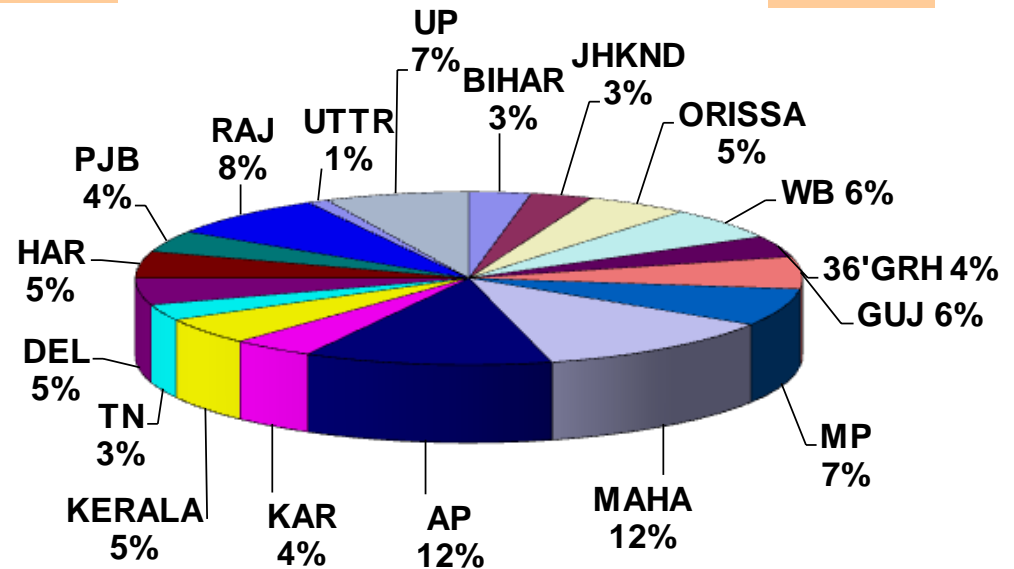
Product Mix - Loan Assets (Jun 12)



Geographical Mix - Loan Assets (Jun 12)

North :
30%

East :
17%



South :
24%

West :
29%

Wide canvass across geographies & products mitigates impact of any external shocks



Diversified & consistent fund raising capability

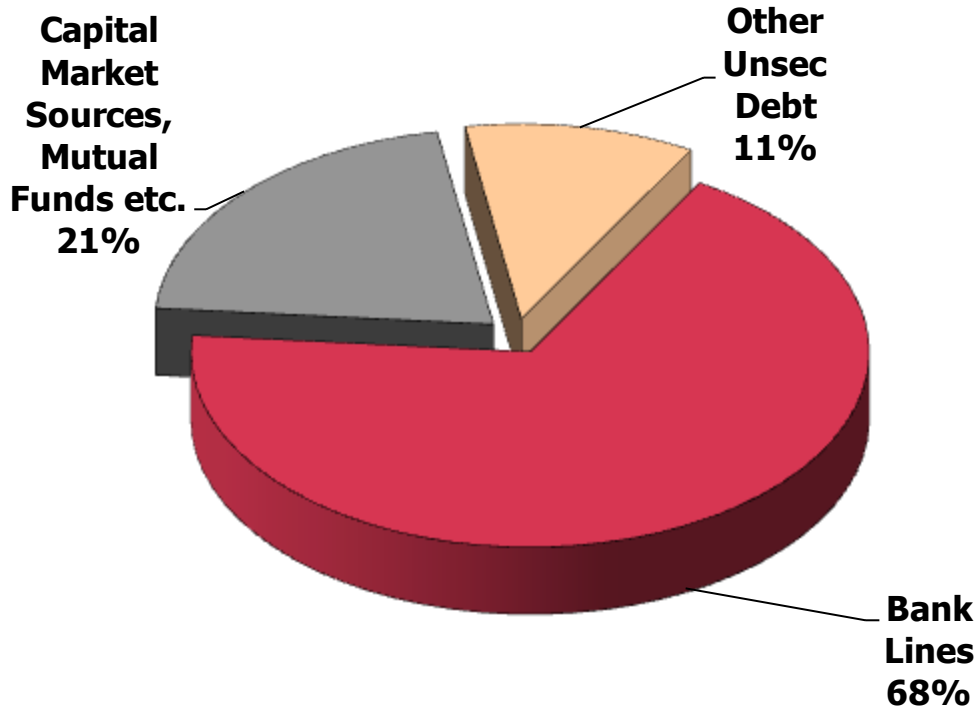
- A consortium of 20 banks and institutions, including top banks such as PNB, SBI, ICICI etc.
- Diversified funding profile with a wide spectrum of lenders

CRAR (%)	Mar 09	Mar 10	Mar 11	Mar 12	Jun 12
Total	17.3	14.9	18.2	21.2	17.8
<i>Tier 1</i>	9.2	8.6	11.3	14.1	12.3
<i>Tier 2</i>	8.1	6.3	6.9	7.1	5.5

Instrument	Ratings
Short Term	A1+
Long Term	AA+
Preference Shares	AA
Subordinated Debt	AA
Perpetual Debt Instrument	AA-
Securitization	AA/AAA(SO)

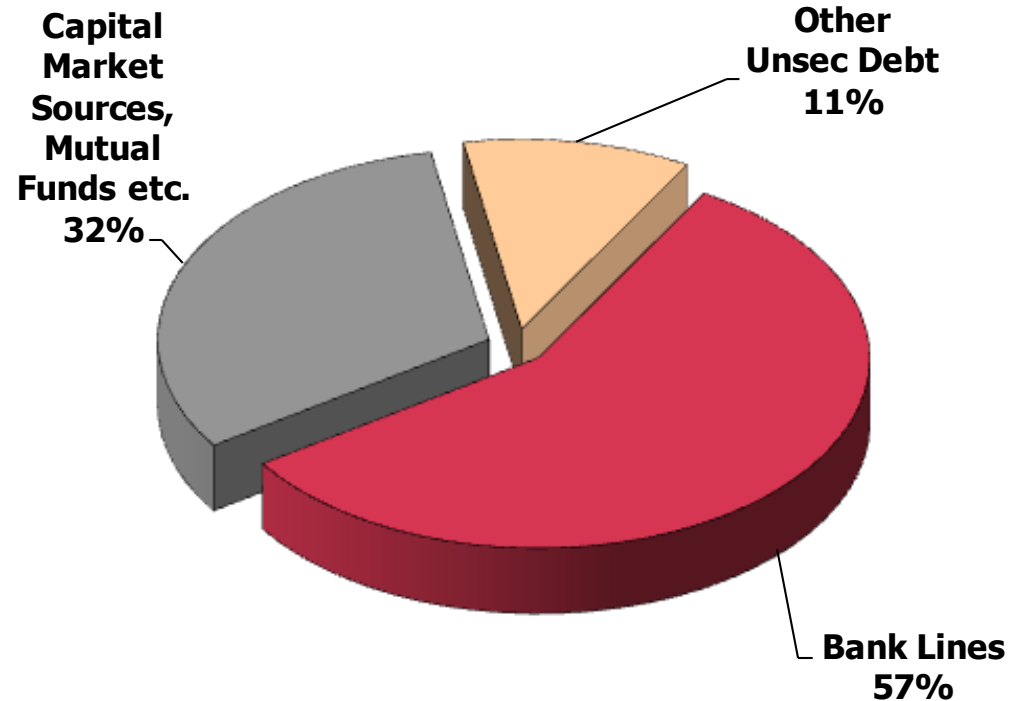
Diversifying Liability Profile

Funding Mix as on 30th Jun 11



Total Debt – Rs 5220 Cr

Funding Mix as on 30th Jun 12



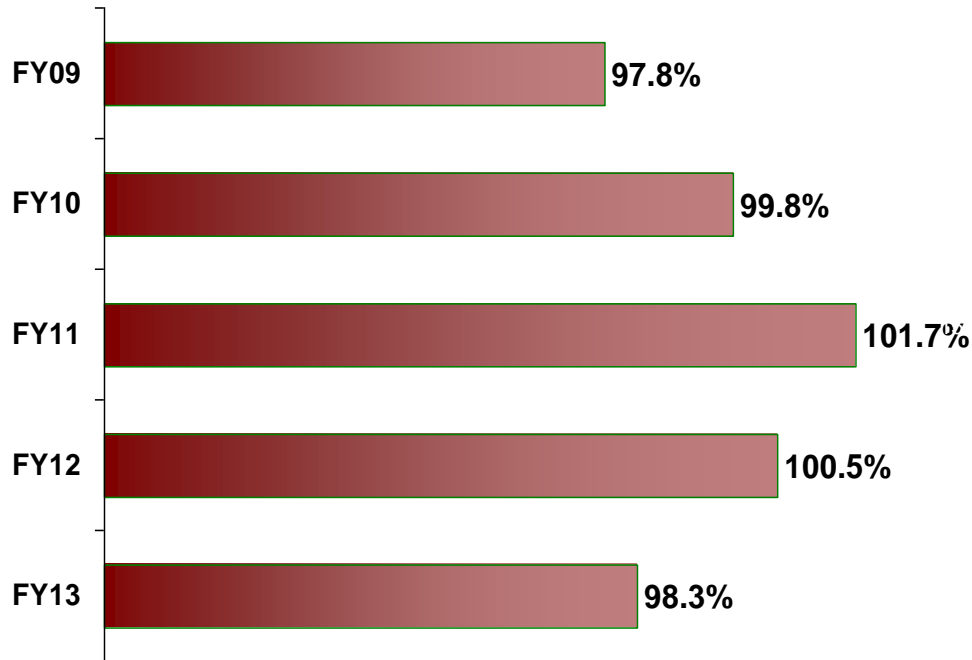
Total Debt – Rs 7362 Cr

Changing Mix of Debt Profile

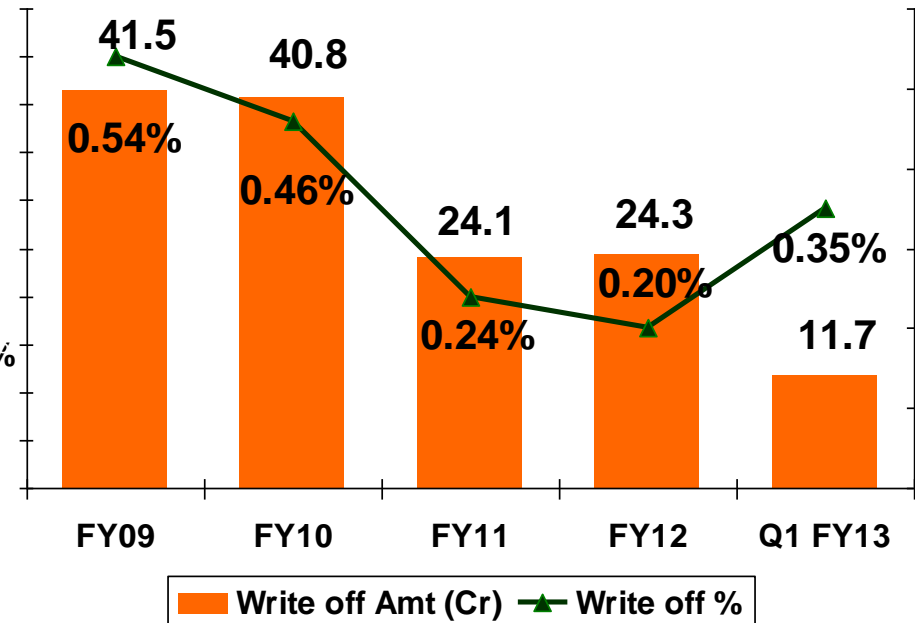


Collection performance

Collection Efficiency* - %



Net Write-offs to AUM - %



Above write-offs excludes Standard Asset provisions (0.13% of AUM as on Mar12 & 0.16% as on Jun12)

Asset Quality vindicated by low Credit enhancements levels mandated by Rating Agencies for Securitisation / Assignment deals

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

Progress during Q1 FY13 on Planned New Business



**Gold Loan business launched
on 1st June 2012**



**General Insurance JV
capitalised,
launch scheduled for Oct 2012**



**Housing finance subsidiary has
filed for Registration with
National Housing Board (NHB)**

Table of contents

• Vision

• Business Overview – Q1 FY13

• Financial Highlights – Q1 FY13

• Strategy & Process

• Business Overview - Historical

• Board of Directors

Profit and Loss – Consolidated

Amt in Rs Cr	Q1 FY13	Q1 FY12	Q1 YoY %	FY12
Disbursements	2057	1422	45%	7404
Income				
- Income from Operations	325.2	211.7	54%	1031.5
- Other Income*	26.6	9.4	184%	31.5
Total Income	351.9	221.1	59%	1063.0
- Finance Costs	185.3	120.8	53%	625.4
- Employee Benefit Expenses	47.6	38.6	23%	149.0
- Depreciation	12.3	6.5	89%	29.6
- Provisions against Standard Assets	3.7	2.9	30%	6.4
- Brokerage & commmission	17.9	7.4	142%	37.8
- Net Write-offs for bad debts	11.7	5.6	109%	24.3
- Other Expenses	24.9	14.0	78%	86.7
Total Expenses	303.4	195.8	55%	959.3
PBT	48.5	25.4	91%	103.7
Tax (incl. Deferred Tax)	15.4	8.2	87%	25.9
PAT	33.0	17.1	93%	77.8
EPS	1.49	1.02	46%	3.56
BV	59.5	57.0	4%	58.1
Return on Avg. Assets	1.5%	1.1%	0.4%	1.1%
Return on Net Worth	10.1%	6.8%	3.3%	7.4%

* Includes one time net fee from Insurance JV partner of Rs. 13.95 crore



Balance Sheet - Consolidated

Amt in Rs Cr	Jun-12	Jun-11	Mar-12
Shareholder Funds			
- Equity capital	38.0	35.9	38.0
- Preference Capital	129.7	146.9	142.7
- Reserves & Surplus	1094.7	990.0	1063.6
- Optionally Convertible Warrants		12.5	
Minority Interest	20.8	10.6	18.8
Non Current Liabilities	2473.3	997.3	2165.3
Current Liabilities	5622.9	4559.3	4759.7
Total Liabilities	9379.3	6752.5	8188.0
Non Current Assets			
- Fixed assets	169.3	183.0	178.8
- Non Current Investments	26.0	0.0	0.0
- Other Non Current Assets/ Long term Loans & Advances	5188.9	2887.5	4315.4
Current Assets			
- Cash & Bank balances	532.5	785.4	810.1
- Other Current Assets/ Short term Loans & Advances etc.	3462.5	2896.5	2883.7
Total Assets	9379.3	6752.5	8188.0

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

Table of contents

• Vision

• Business Overview – Q1 FY13

• Financial Highlights – Q1 FY13

• Strategy & Process

• Business Overview - Historical

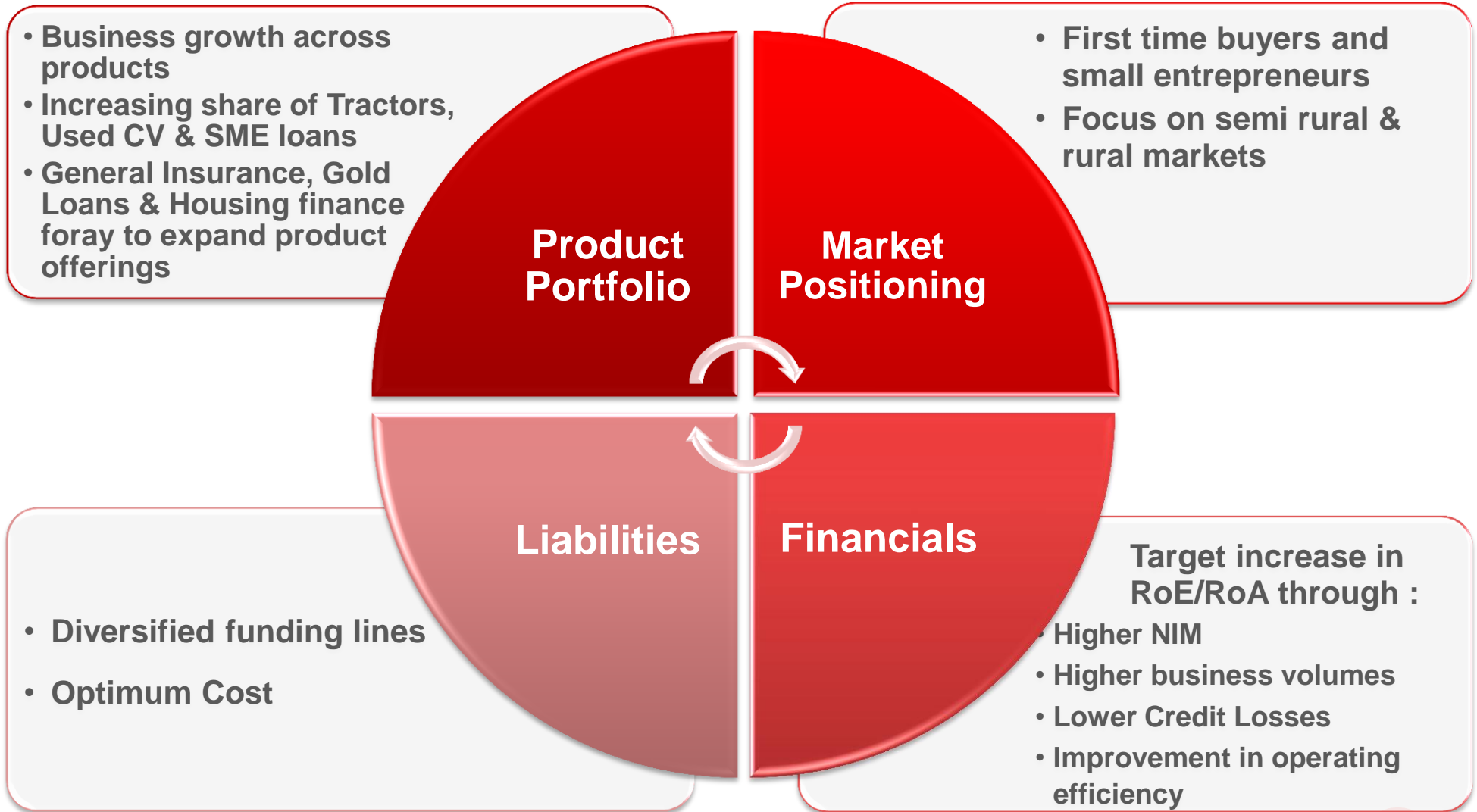
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Magma targets ~ Rs 135k Crores market opportunity

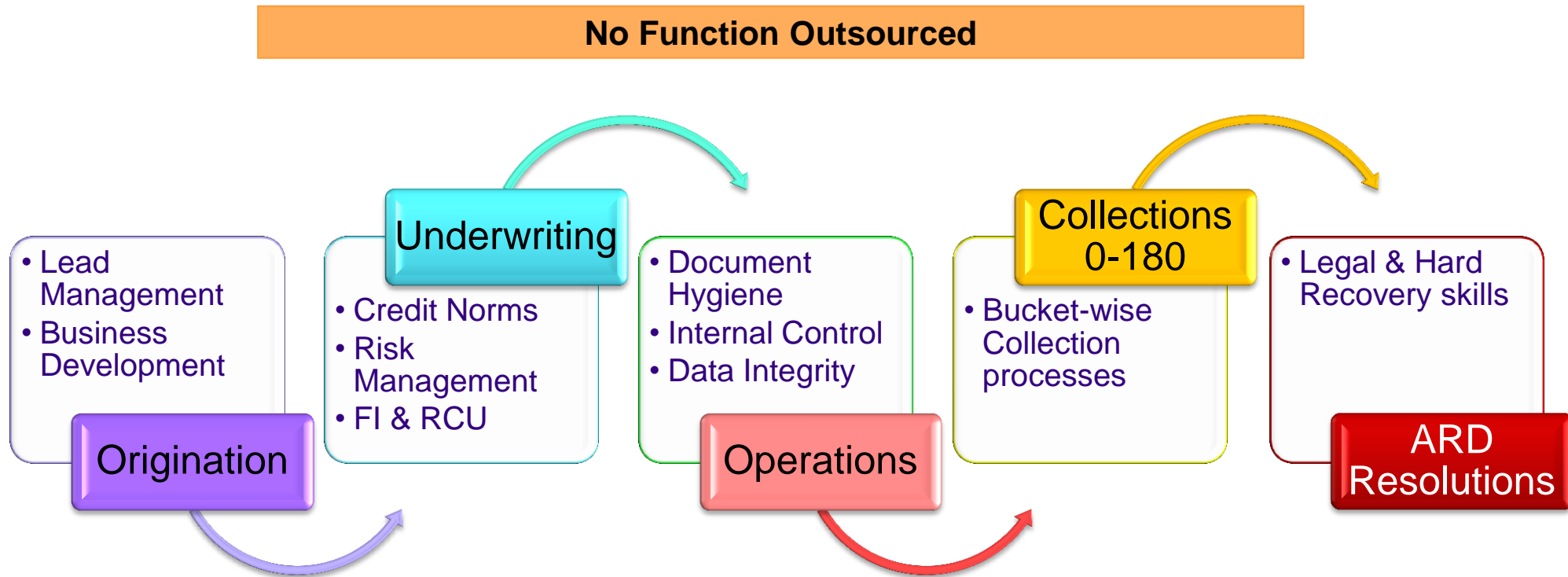
Amt in Rs Cr	Cars & UV	CV	CE & SCE	Used CV	Tractors	SME Loans
Industry FY12 disbursement	65000	62000	17000	~ 36,000	16000	~ 6000
Co. direct addressable opportunity	49000 ~75%	45000 70-75%	9500 50-60%	~ 18,000 ~ 50%	9500 60%	~ 5500 80-100%
Company's FY12 Disbursement	2235	2076	1358	482	813	440

Note: Total industry size has been estimated based on sales figures of various Industry Associations such as SIAM, TMA, feedback of manufacturers and management estimates of finance penetration and average loan size. Direct addressable opportunity based on management estimates

Business Strategy



Our structures and processes



Well defined Key Responsibility Areas in different functional verticals → leading to alignment of functional goals to Organisation Goal of Sustained Profitable Growth

Our 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



Table of contents

• Vision

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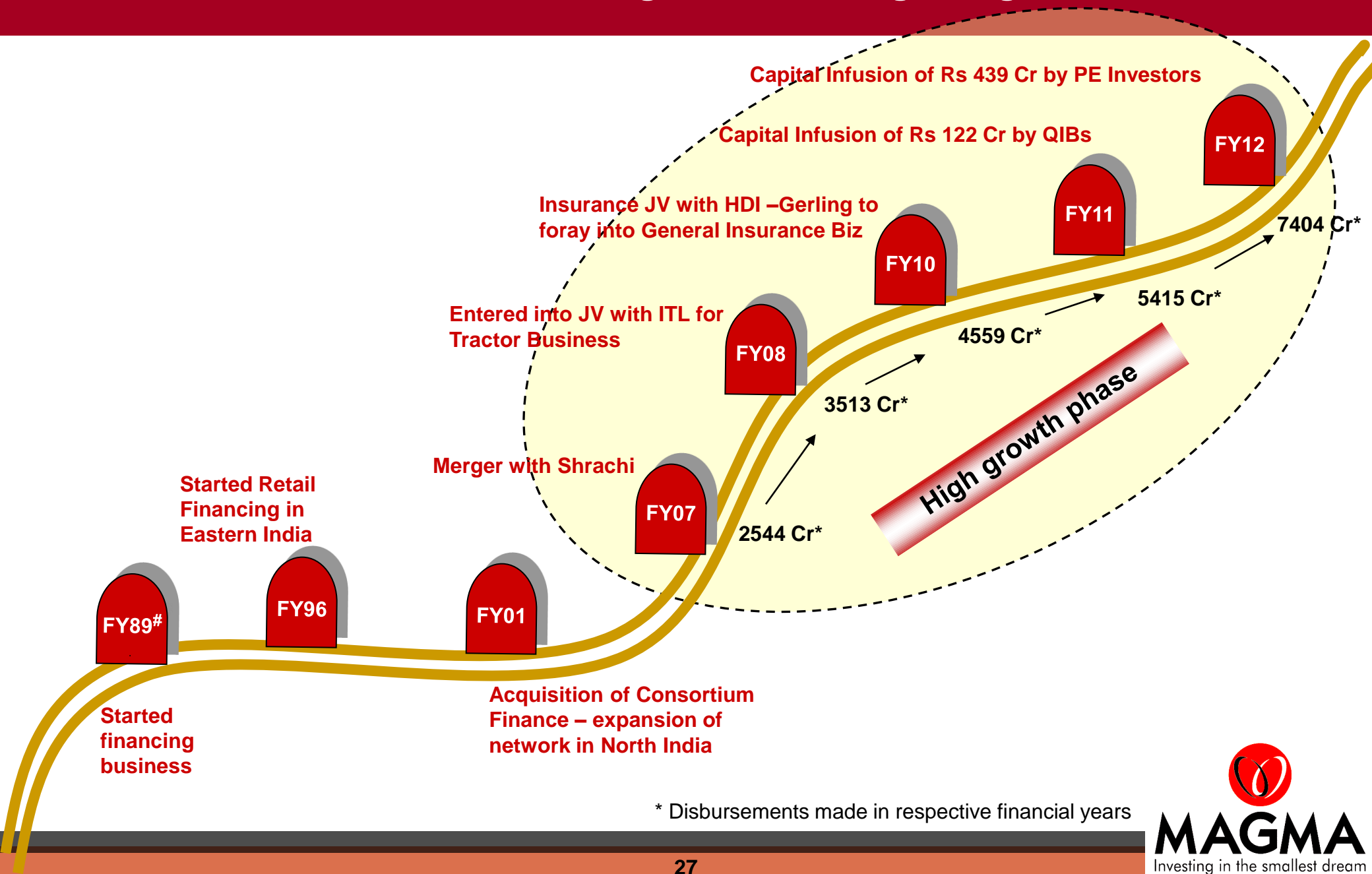
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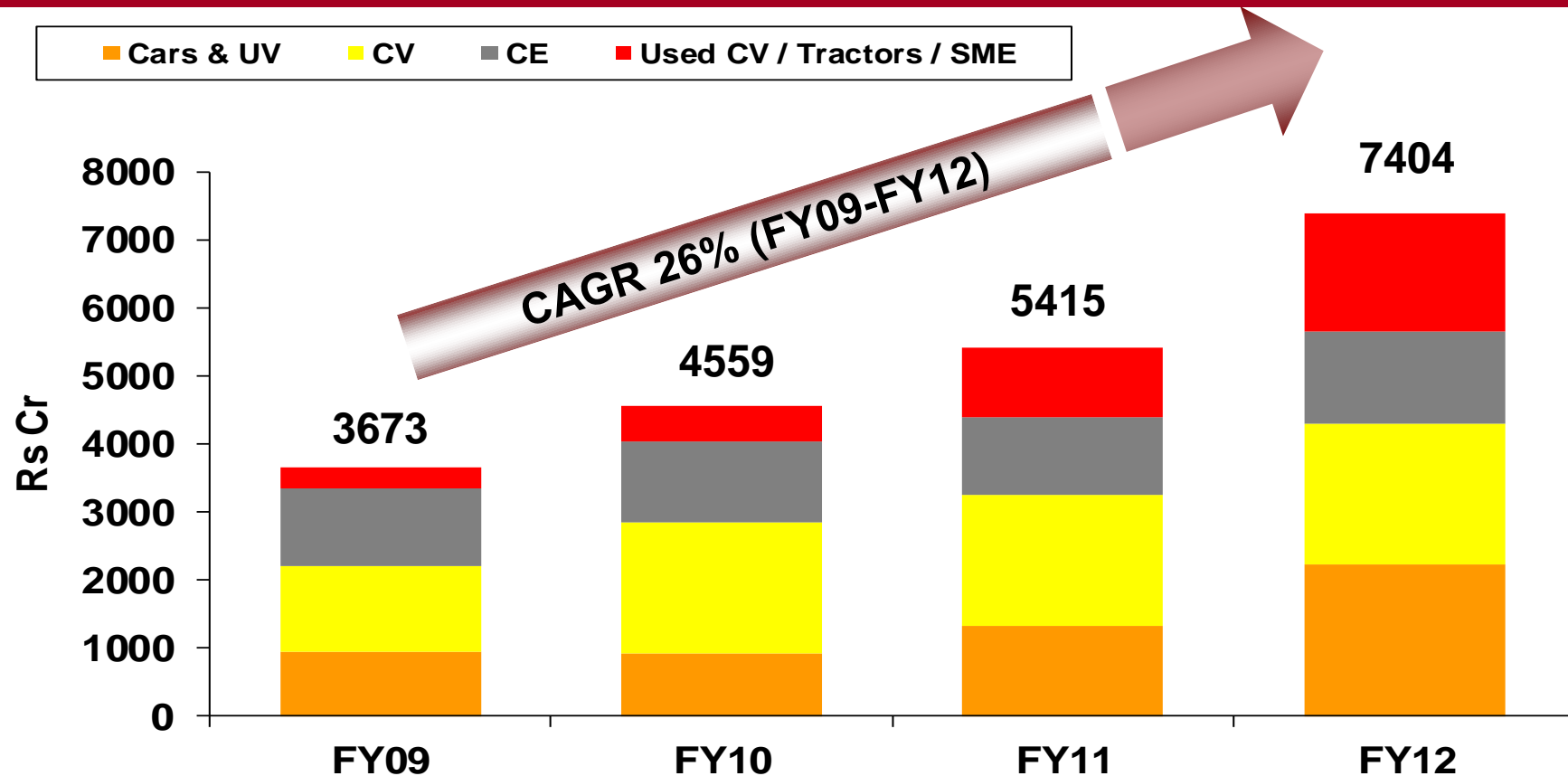
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• Board of Directors

Over 2 decades of successful organic and inorganic growth



Disbursements on a growth trajectory

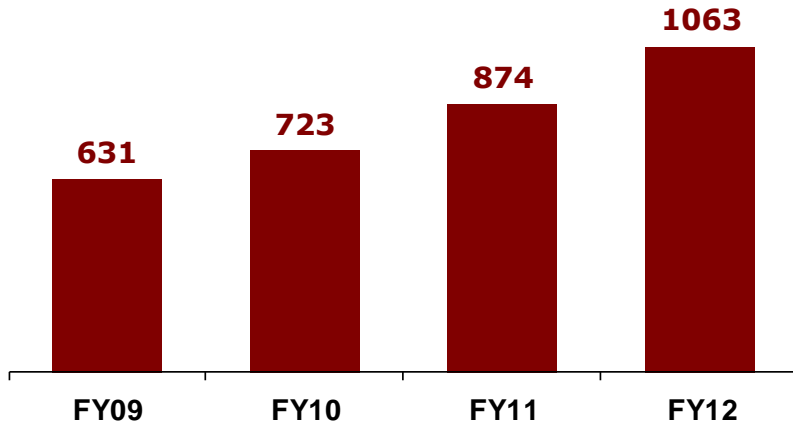


□ Disbursement CAGR FY09-FY12

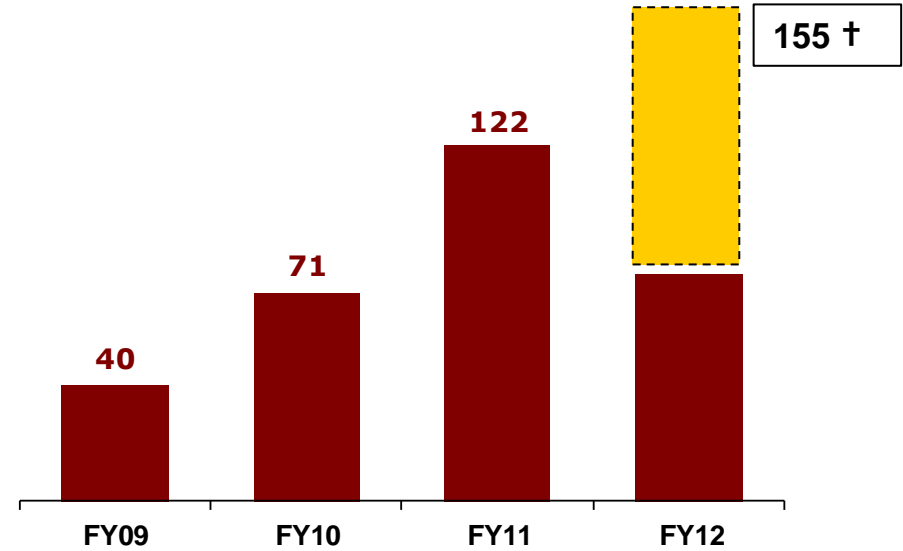
- Tractor - 113%
- Used CV - 58%
- SME - 57%

History of growth and profitability

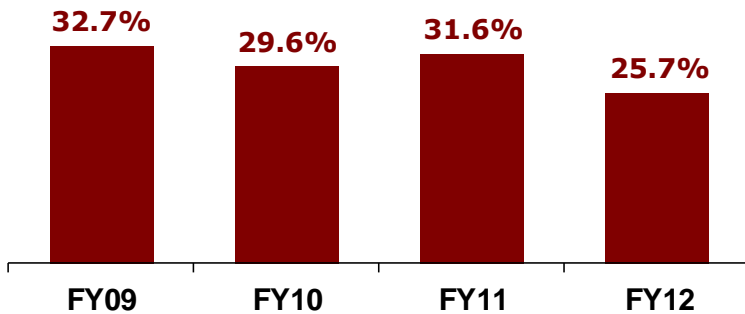
Total Income (Rs Cr)



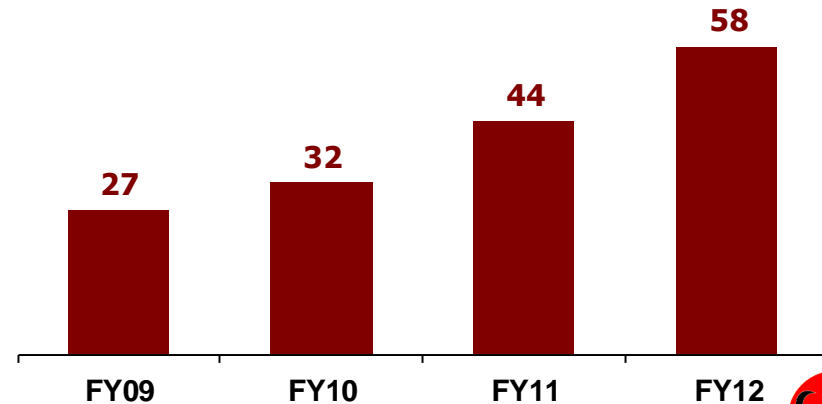
Profit After Tax (Rs Cr)



Operating Efficiency (Costs to Total Income Ratio)



Book Value (Rs.)



† Pro forma Nos. – adjusted for the accounting changes implemented FY12 onwards for amortization of securitization/assignment income and sourcing expenses



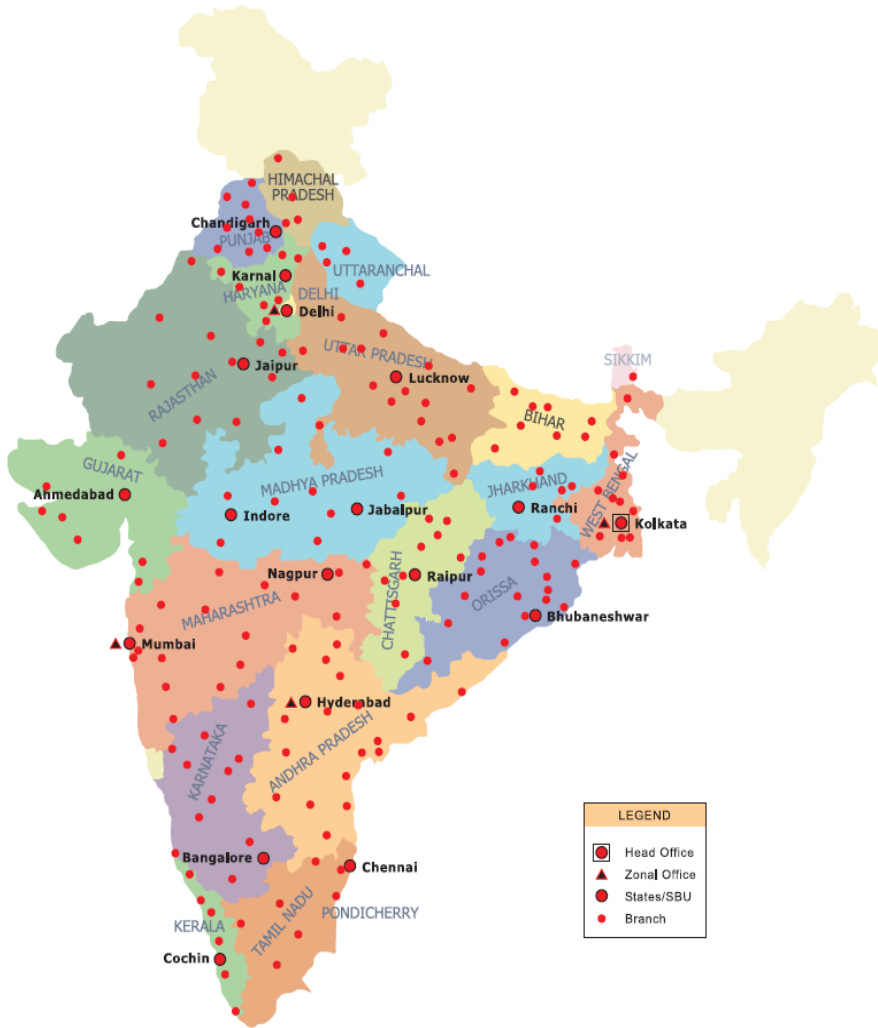
Magma...at a glance FY12

❖ No. of years in financing business	Over 2 decades
❖ No. of customers serviced	Over 7,00,000
❖ No. of branches	207
❖ Disbursements	Rs. 7404 Cr (~ USD 1.45 bn)
❖ AUM	Rs. 13293 Cr (~ USD 2.60 bn)
❖ Total Income	Rs. 1063 Cr (~ USD 208 mn)
❖ PAT	Rs. 78 Cr [Rs. 155 Cr *]
❖ Interest Spread	4.3%
❖ CAR	21.2%
❖ Return on Assets	1.1% [2.2% *]
❖ Return on Equity	7.4% [15.9% *]
❖ BV (Rs.)	58.1 [62.1 *]

* Pro forma Nos. – adjusted for accounting changes implemented FY12 onwards for amortization of securitization/assignment income and sourcing expenses

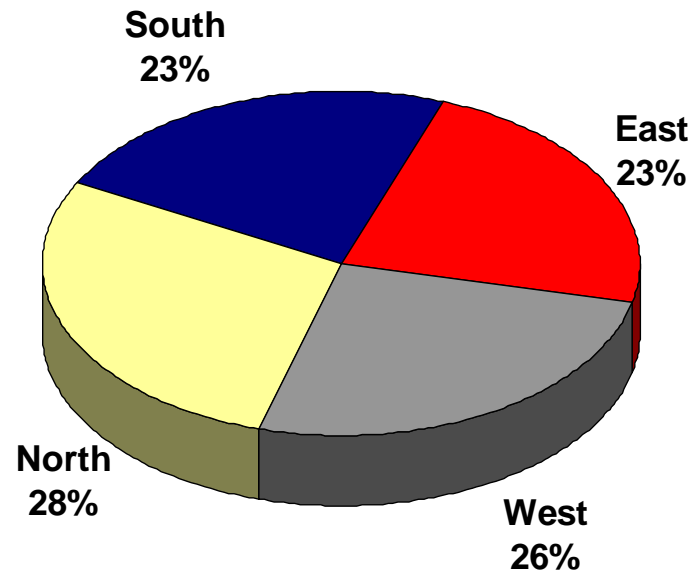
* 1 USD = 51.2 INR as on 30th Mar 2012

Our pan India presence, largely rural and semi rural...



207# Branches across 21 States / UT
 Covering ~**2800** business clusters
81% Branches in rural*/semi rural* markets
Over 6000 employees including ~**5000** field officers

Balanced Geographical Mix



Excellent reach in the semi-rural/ rural markets

As of Jun 30, 2012 ; * Based on company's market surveys and estimates

Table of contents

• Vision

• Business Overview – Q1 FY13

• Financial Highlights – Q1 FY13

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• Business Overview - Historical

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Board of Directors (1/2)

Mayank Poddar (Promoter)
Chairman
B.Com



- More than 30 yrs experience in Finance business
- Contributes in policy formulation and provides overall support and guidance to the Board and management

Sanjay Chamria (Promoter)
Vice Chairman & Managing Director
FCA



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

Narayan K Seshadri
Independent Non Executive Director
FCA



- Has over 30 yrs experience in Corporate Finance and Consulting
- Formerly associated with KPMG and Arthur Anderson

Neil Graeme Brown
Independent Non Executive Director
ICAEW



- More than 30 yrs experience in investment banking sectors
- Founded Subito Partners Limited (UK)

Board of Directors (2/2)

Nabankur Gupta
Independent Non Executive Director
B. Tech (Elec), AMP in Marketing



- Over 35 yrs experience in marketing & general management across companies like Phillips India, Videocon
- Founder of Nobby Brand Architects & Strategic Marketing Consultants

Kailash Nath Bhandari
Independent Non Executive Director
BA & LLB



- Experience of over 30 yrs in Indian General Insurance industry
- Held positions as CMD in New India Insurance, United India Insurance

Satya Brata Ganguly
Independent Non Executive Director
Chemical Engineering



- Has over 45 yrs of corporate experience in various senior positions
- Currently Chairman Emeritus of India's largest automotive battery manufacturer

Sanjay Nayar
Non Independent Non Executive
Director, B.Sc (Hons.) DCE, PGDM
(Finance) IIM Ahd



- Currently the CEO and Country Head for KKR in India
- Has spent 24 yrs at Citigroup, most recently as CEO of CITI's Indian & South Asian operations
- Was the Deputy Chairman of the IBA & Chairman of the Foreign Banks' Committee of the IBA, a member of the Board of USIBC



Our shareholders

Top Institutional Shareholders

Overseas Bodies

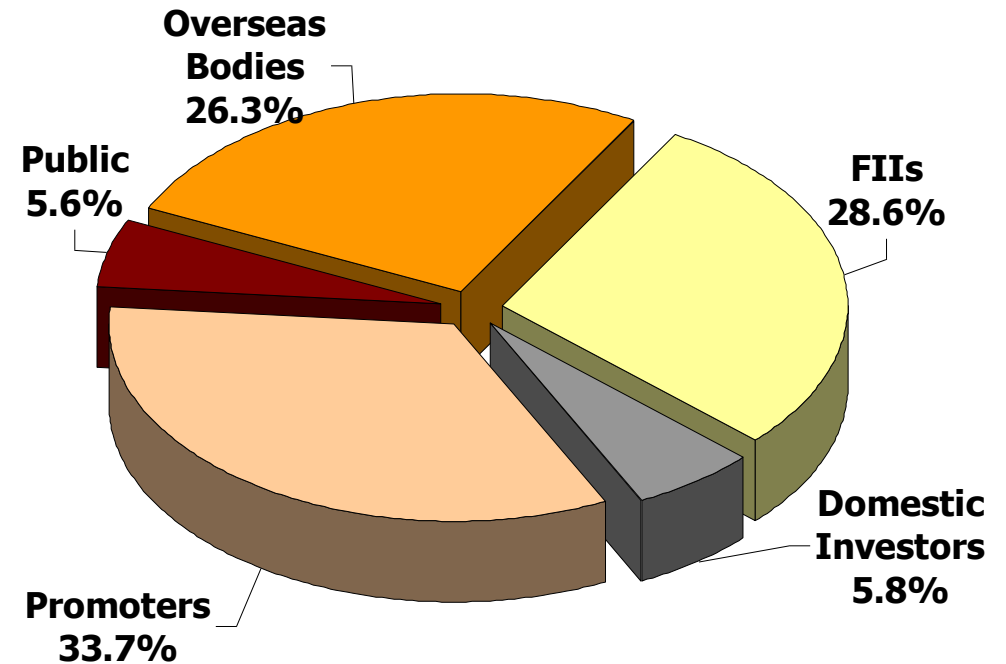
- KKR (Kohlberg Kravis Roberts & Co.)
- IFC, Washington

FII's

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

Domestic Investors

- Sundaram BNP Paribas Mutual Fund
- UTI Mutual Fund



As on Jun 30, 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.