



Reaching New Heights in Retail Finance

- **Business Update – FY13**

- **Financial Results – FY13**

- **Business Overview & Strategy**

- **Leadership Team**

- **Annexures**

Key Updates

#1

With launch of 3 new business lines, product portfolio expanded to 9 products

#a

Launched Mortgage business through acquisition of mortgage business of GE India

#b

Commenced General Insurance business

#c

Launched Gold Loan business

#2

Strengthened network by opening 75 branches across India (total 275 branches)



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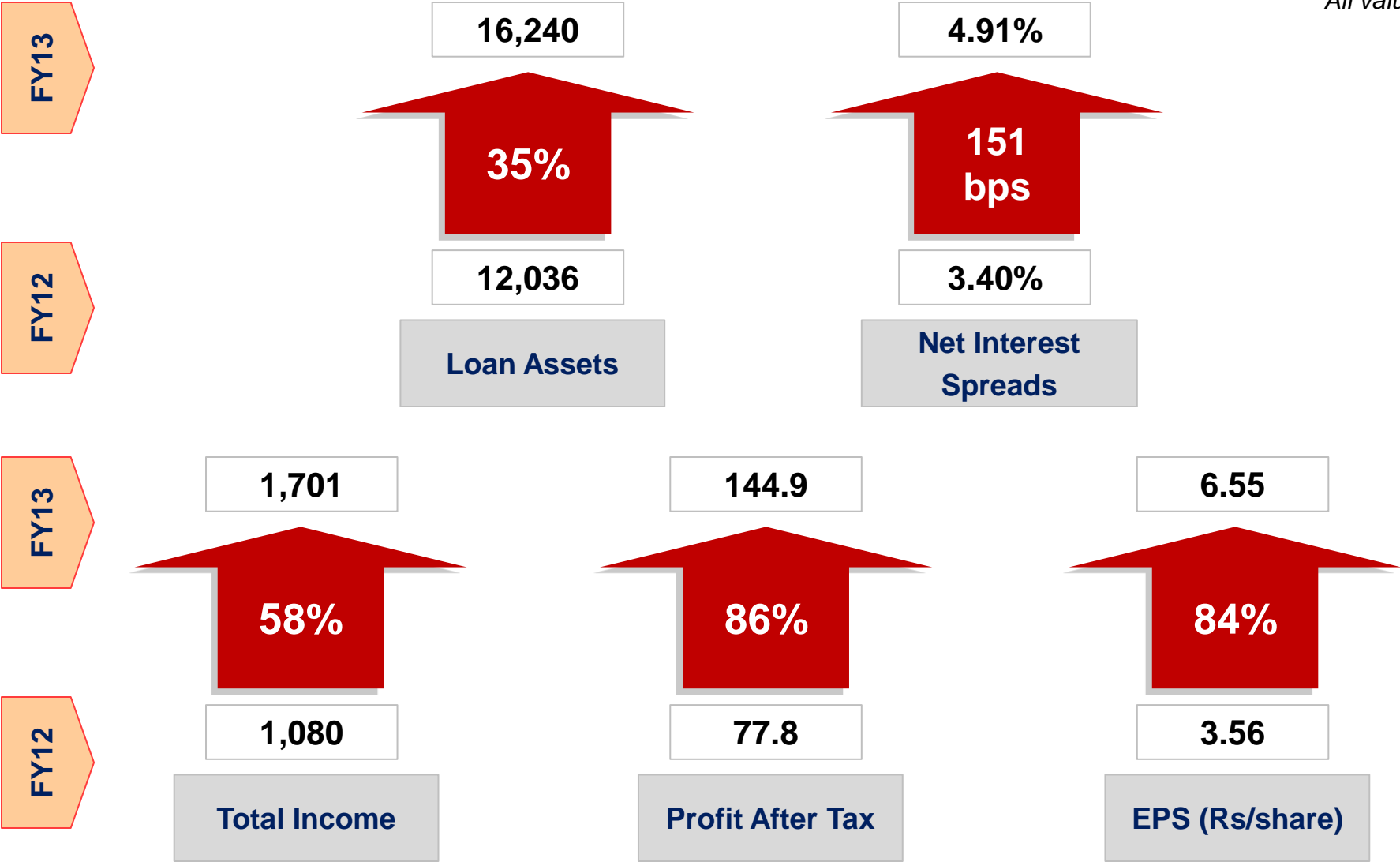
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Financial Results – FY13

All values in Rs. crore



All numbers are on Consolidated basis

Enhanced Loan Assets

All values in Rs. crore

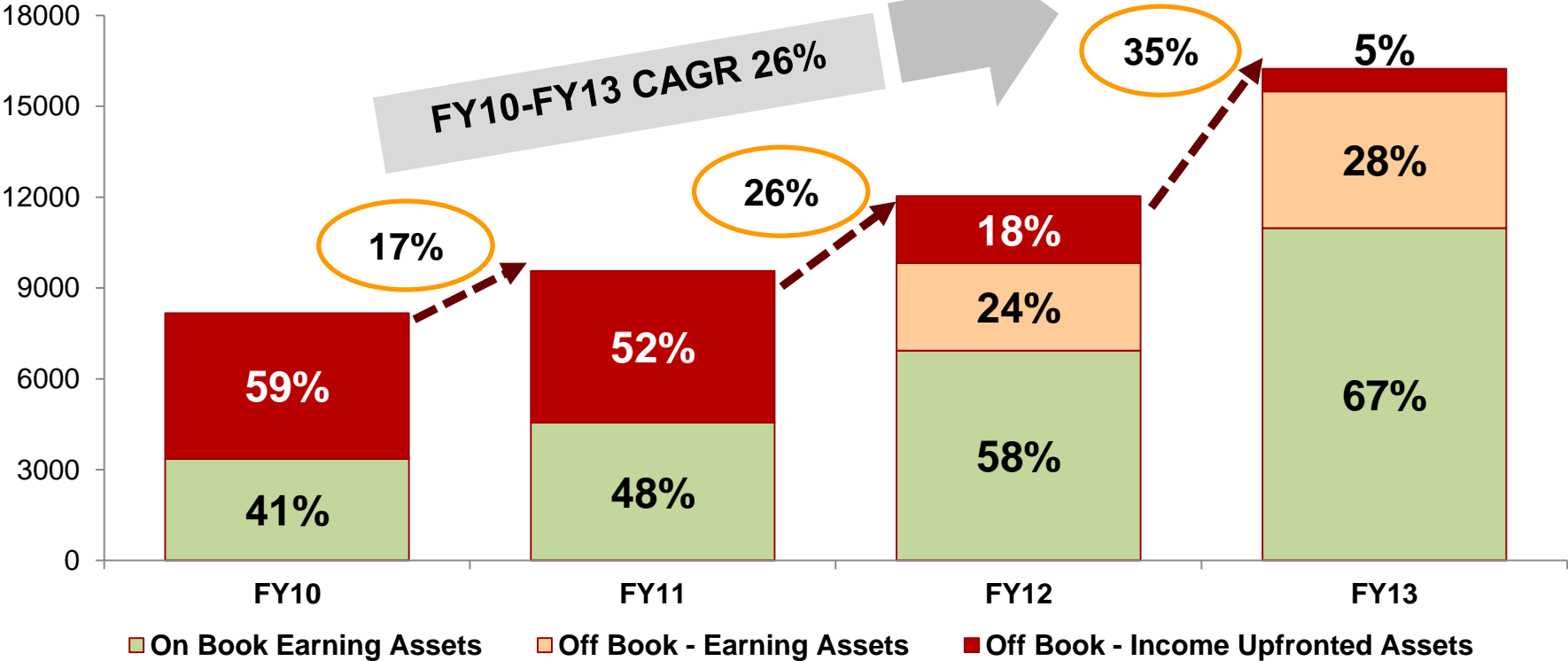
Loan Assets
(On + Off B/S)

~ 8,170

~ 9,570

~ 12,040

~ 16,240

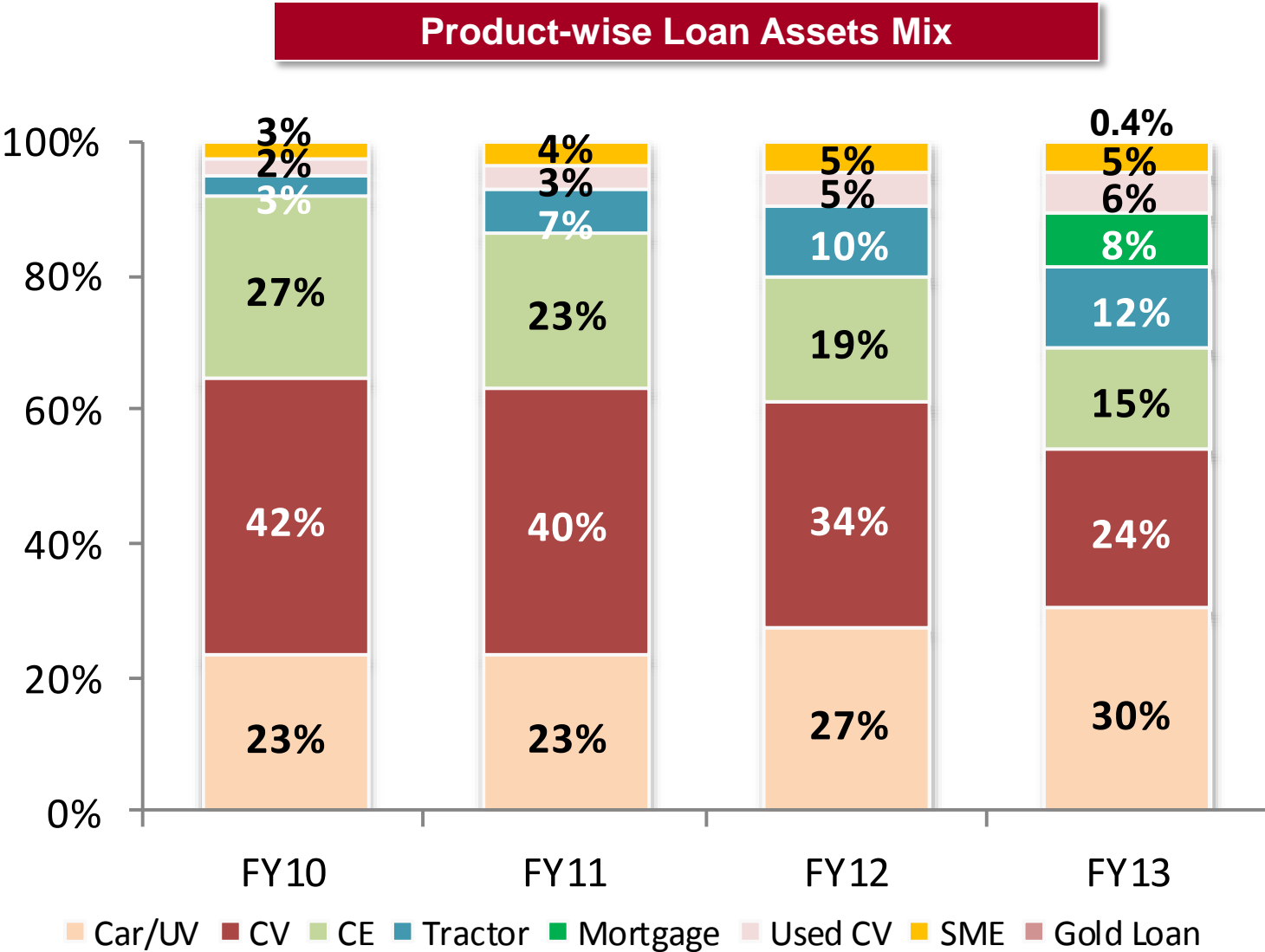


95% of the Loan Assets are Income earning as on March 31, 2013



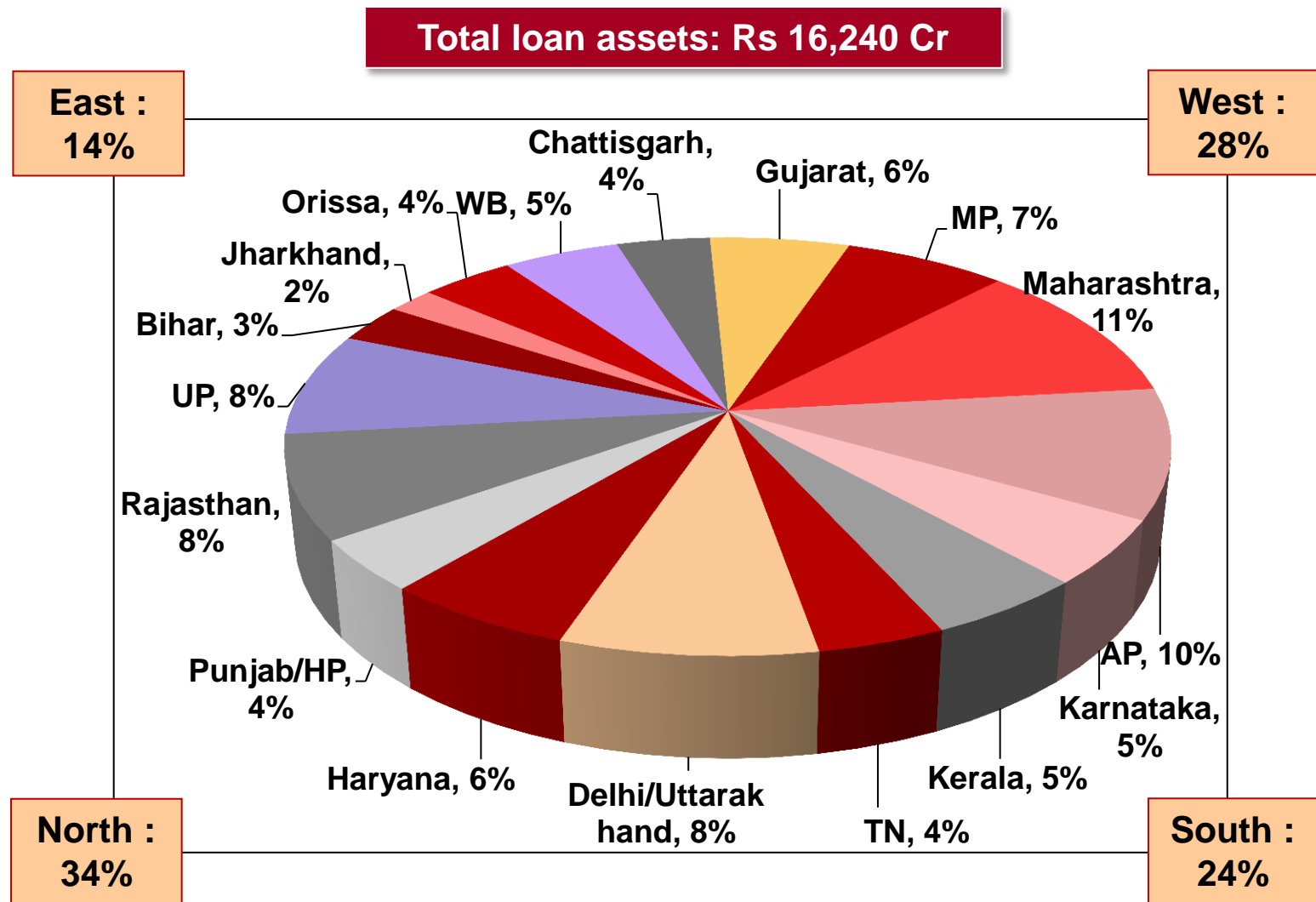
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Diversified Loan Asset Portfolio



Includes On Book and Off Book Loan assets as on March 31, 2013

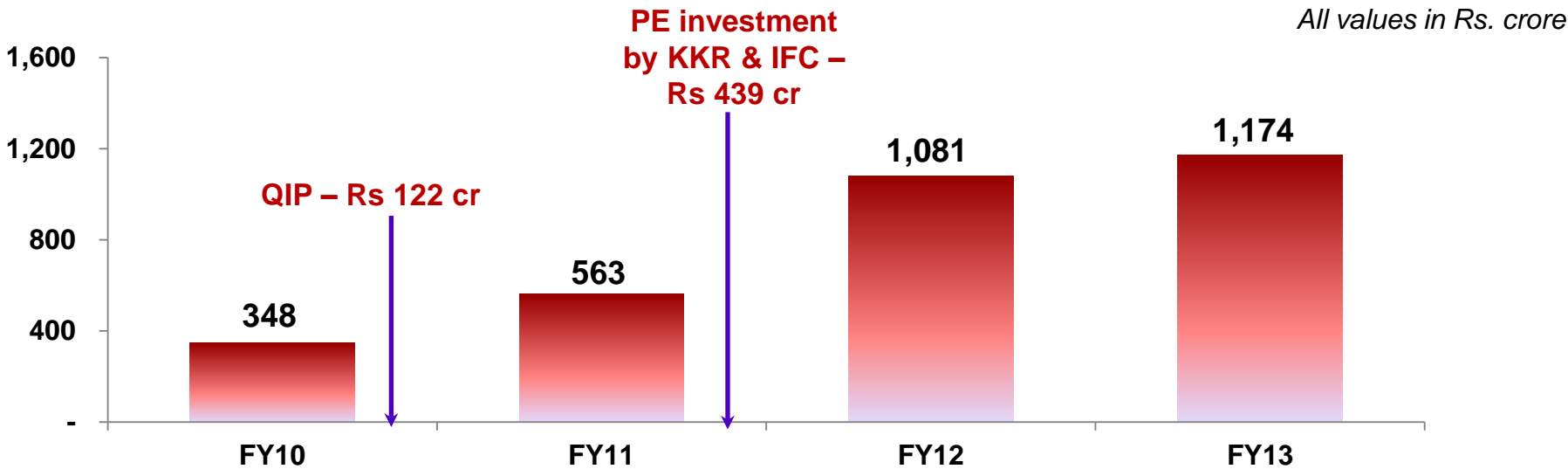
Widespread Geographic Coverage



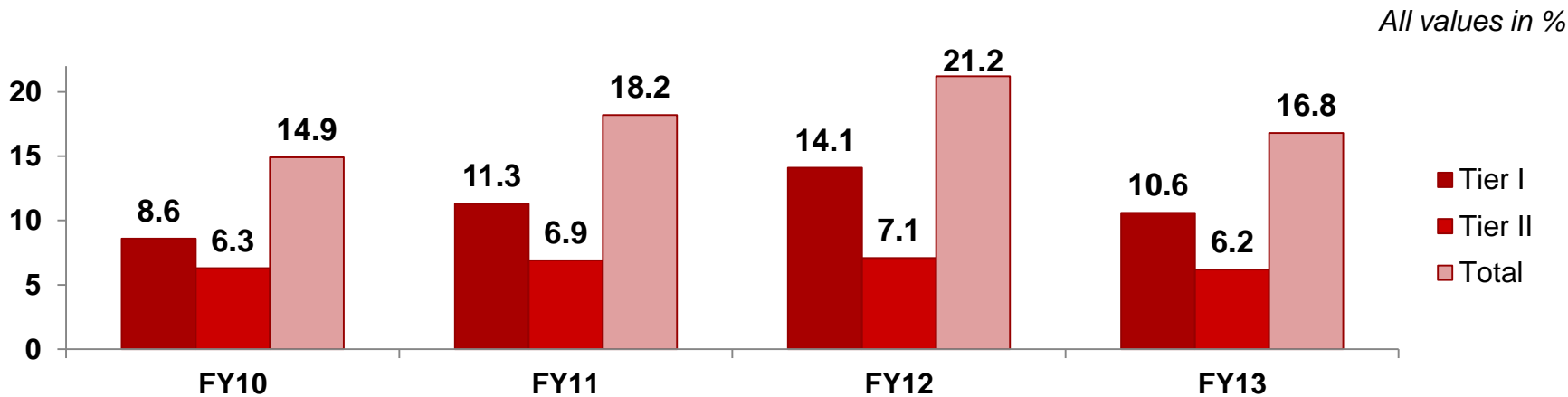
Includes On Book and Off Book Loan assets as on March 31, 2013

Capital Adequacy

NET WORTH *

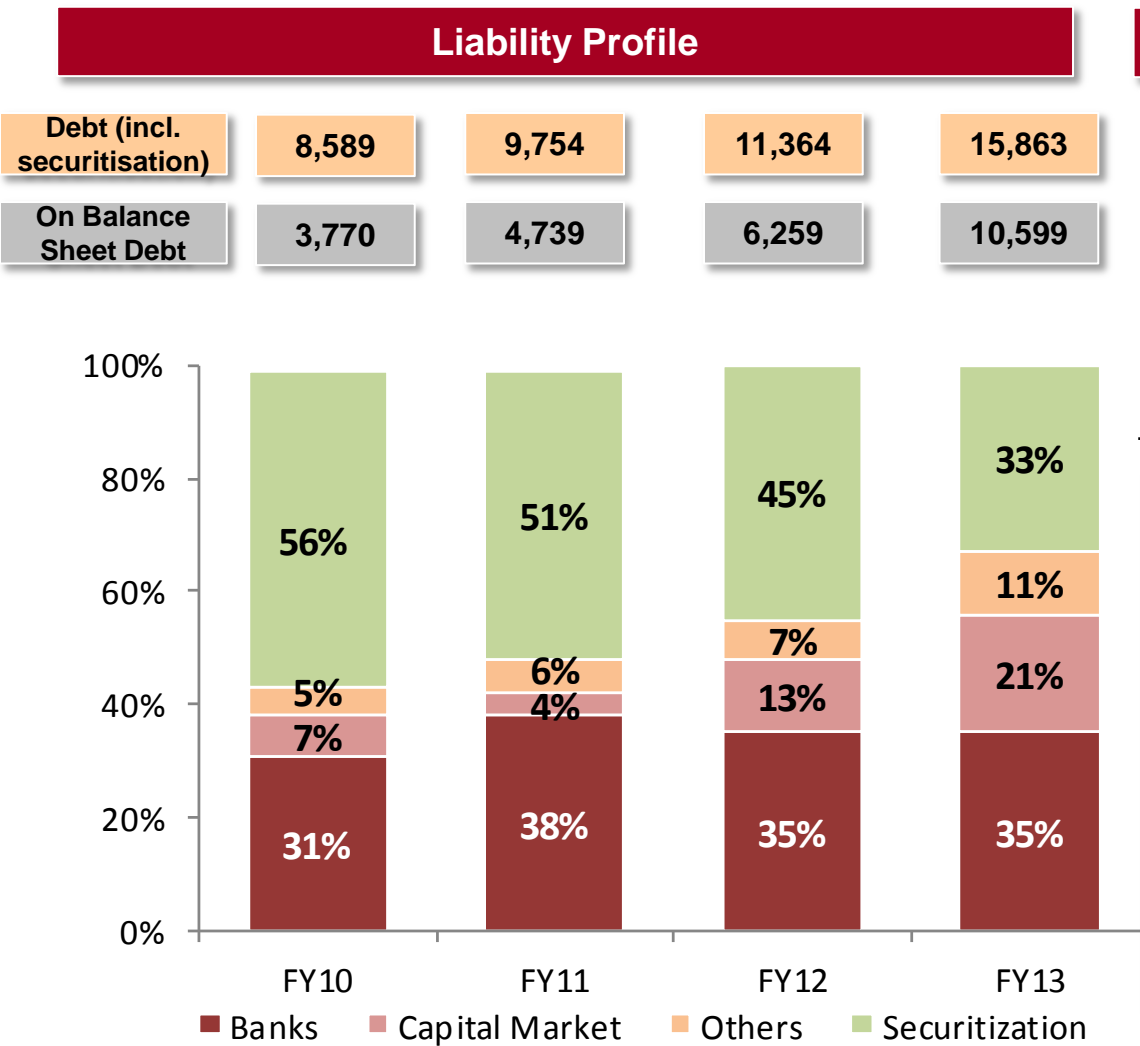


CAPITAL ADEQUACY



* Networth on consolidated basis as on March 31, 2013 is Rs. 1,397 crores

Diversified Liability Profile



Rating Upgrades

Instrument	31 Mar 11	31 Mar 12	31 Mar 13
Short term	A1+	A1+	A1+
Long term	AA	AA+	AA+
Preference Capital	AA-	AA	AA
Sub debt	AA-	AA	AA
Perpetual debt	A+	AA-	AA-

- Diversified liability sources limit concentration risk, allows stable flow of funds and improved rating, all leading to lower costs
- Consortium of 20 public & private sector banks
- Capital market funding from wide spectrum of lenders including MFs, Insurance companies, Pension / Provident funds and Corporates among others
- Other unsecured debt includes multiple instruments like PDI, Sub-debt and Preference capital

Values in Rs. Crore as on closing day for the period

Accelerated Adoption of RBI Draft Guidelines on ‘Prudential norms’

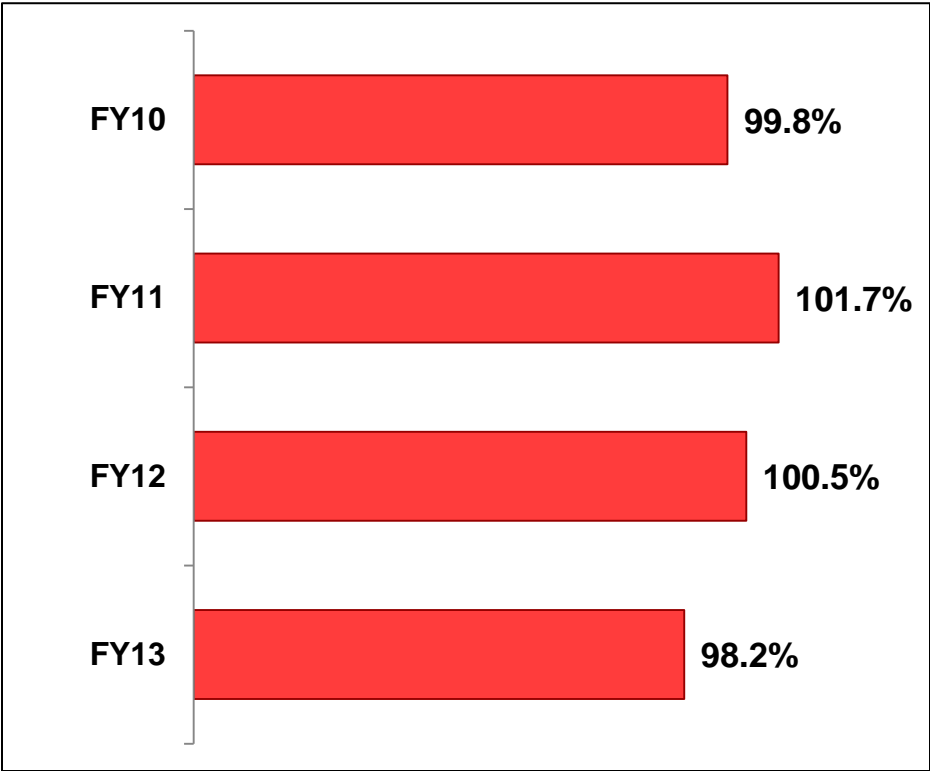
PROVISIONING NORMS

	Months Past Due	Magma’s Provisioning Policy		Months Past Due	RBI stipulated Norms for NBFCs	
Standard		Secured	Unsecured		Secured	Unsecured
	0 to 4 months	0.30%	0.30%	0 to 6 months	0.25%	0.25%
Sub Standard	> 4 to 16 months	15%	25%	> 6 to 24 months	10%	10%
	> 16 to 28 months	25%	100%	> 24 to 36 months	20%	100%
Doubtful	> 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%

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

Robust Collection performance

COLLECTION EFFICIENCY



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

NPA PROVISIONS

Particulars	Value as on March 31, 2013 (Rs. Cr)	%ge of Total Loan Assets
Gross NPA (90/120 DPD)	265	1.63%
Less: NPA Provisions	55	
Net NPA	210	1.29%

NPAs recognised at 90+ DPD for the HFC and at 120+ DPD for the NBFC

Spread Analysis (Standalone)

Particulars	Q4 FY13	Q3 FY13	Q4 FY12	FY13	FY12
Total Income/Assets	16.3%	15.9%	15.3%	16.3%	14.8%
Interest Expenses/Assets	8.7%	9.1%	8.9%	9.0%	8.7%
Gross Spread	7.7%	6.9%	6.4%	7.3%	6.2%
Overheads/Assets	3.5%	3.4%	4.1%	3.7%	3.8%
Brokerage & Commission Expenses/Assets	1.0%	0.9%	0.6%	0.9%	0.5%
Write Offs & Provisions/Assets	1.0%	0.6%	0.8%	0.8%	0.5%
Std. Asset Provisions/Assets	0.0%	0.2%	0.0%	0.1%	0.1%
Net Spread (pre tax)	2.2%	1.8%	0.9%	1.8%	1.2%
RoA	1.5%	1.2%	1.0%	1.2%	0.9%
RoE	13.2%	10.3%	6.0%	9.7%	6.2%

Figures may not tally fully due to rounding off

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HELPING PEOPLE REACH OUT TO THEIR DREAMS



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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.

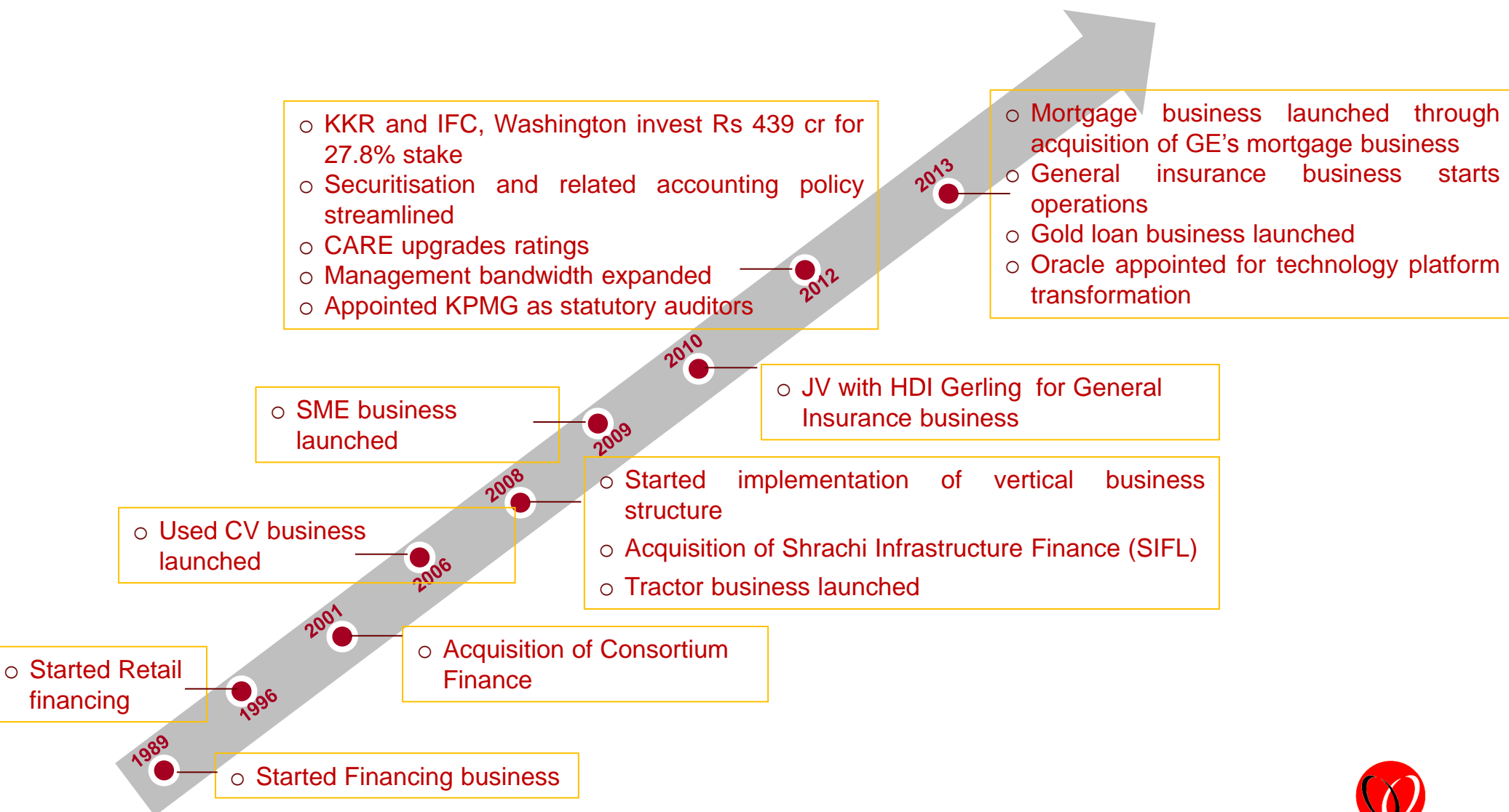


Magma's growth is a reflection of India's new emerging entrepreneurs, spurred by economic growth across states and sectors



* Based on company's market surveys and estimates

Company in Transformation



Years relate to financial years;

Customer Centric Approach...with a Bouquet of Products



Customer focused structure and processes

- ☐ Invest early into customers – 1st time / under- banked customers
- ☐ Business structure aligned to specialise in customer's specific business needs
- ☐ Recovery systems based on customer behavior
- ☐ Feedback systems to improve service – Sales support
- ☐ Design and product development based on customer feedback

Synergistic Approach to Growth

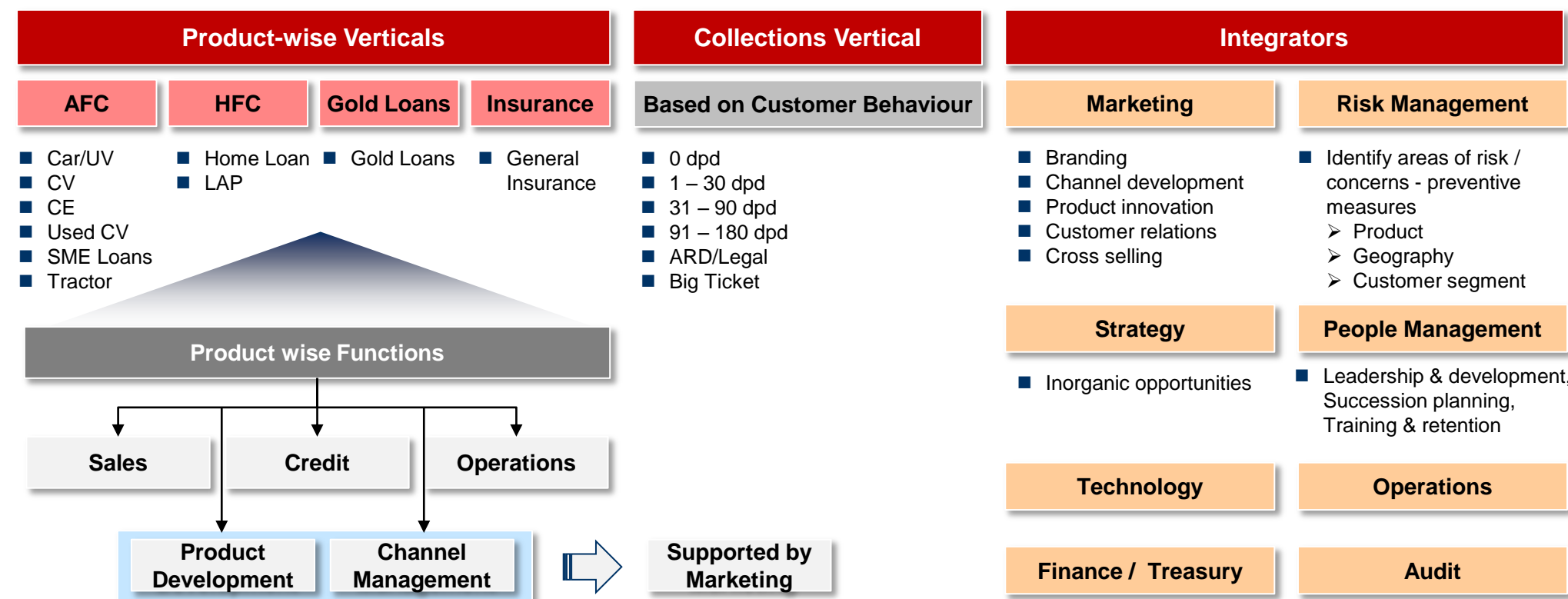
Products	Key Customer Segments	Focus areas to Drive Growth	ATS (Rs '000)	LTV	Tenure (months)
Cars	<ul style="list-style-type: none"> Entry level vehicles and UV/MUV Small Road Transport Operator (SRT0) 	<ul style="list-style-type: none"> Rural markets and UV/MUV segment Tie up with car manufacturers 	410	67%	44
Commercial Vehicles (CV)	<ul style="list-style-type: none"> 1-5 vehicle owners (esp FTB segment) SRT0 	<ul style="list-style-type: none"> LCV & SCV Tie up with CV manufacturers 	950	86%*	44
Tractors	<ul style="list-style-type: none"> Land owning farmers 25-75 HP tractors 	<ul style="list-style-type: none"> Alliances with OEMs New product introductions 	330	62%	45
Used CV	<ul style="list-style-type: none"> FTB, Small fleet drivers M&HCV, Refinance 	<ul style="list-style-type: none"> LCV High vintage vehicles (7-8 years) 	530	70%	35
Construction Equipment	<ul style="list-style-type: none"> Small Scale Enterprises (SSE), SME 	<ul style="list-style-type: none"> Increase collaboration with OEMS Wider product range 	2,100	79%	39
SME Loans	<ul style="list-style-type: none"> SME segment Working capital, business expansion 	<ul style="list-style-type: none"> MSME segment 	2,440	N/A	31
Gold Loans	<ul style="list-style-type: none"> Primary borrowers 	<ul style="list-style-type: none"> Target underpenetrated urban markets in North, West and East India 	70	53%	11
Home Loans	<ul style="list-style-type: none"> Affordable housing 	<ul style="list-style-type: none"> Tier 3 and 4 towns 			
General Insurance	<ul style="list-style-type: none"> Captive car and CV customers Rural agri based products 	<ul style="list-style-type: none"> Penetrate motor insurance market Rural agri markets 			

Leverage branch / collection presence and understanding of product, target customer behaviour and its requirements to grow new products

ATS: Average Ticket Size; FTB: First Time Buyers; Numbers represent average for FY13

* LTV 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%

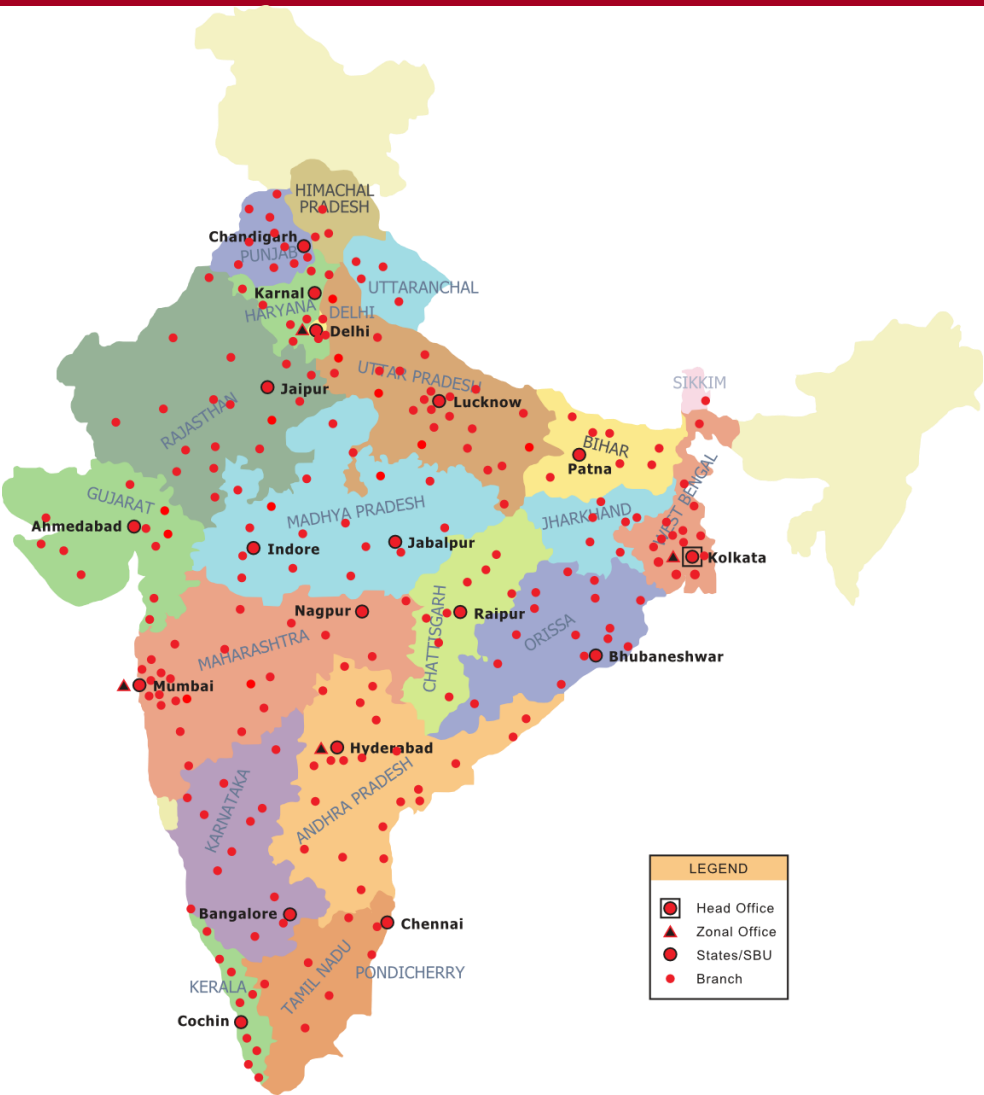
Vertically Aligned Business Model



Key Benefits

- ❑ Scalability
- ❑ Operating & cost efficiency including through automation / standardization
- ❑ Specialization
- ❑ Aligning responsibilities & remuneration

Branch network



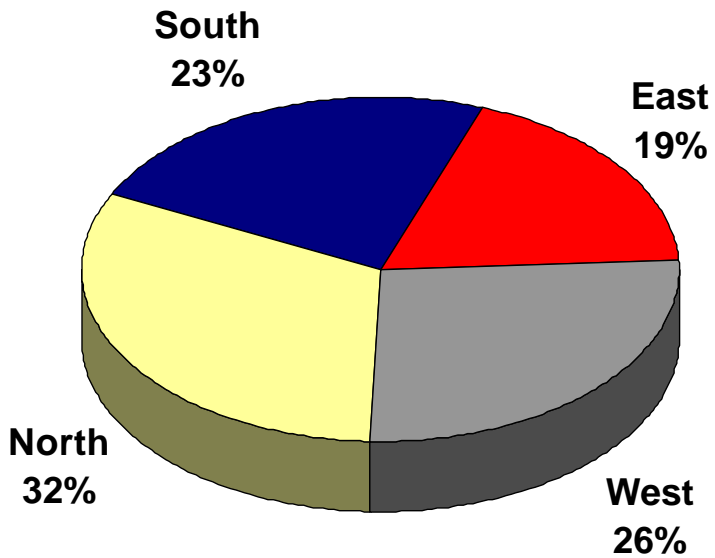
275# Branches across 21 States / UT

Covering ~**3,000** business clusters

81%^ Branches in rural*/semi rural* markets

Around 7,300 employees including ~ **5,900** field officers

Geographical Mix^

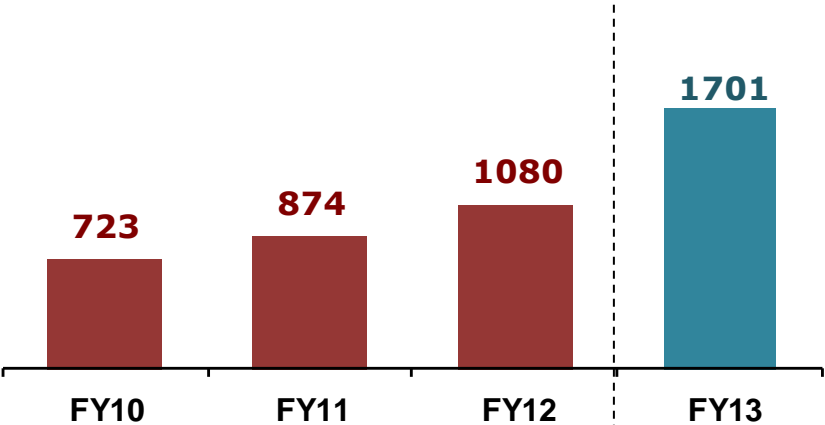


As of Mar 31, 2013 ; * Based on company's market surveys and estimates

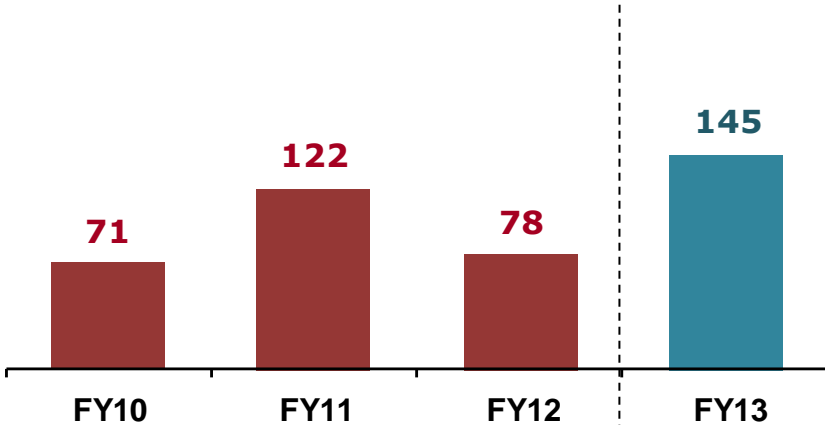
^ Excludes 44 dedicated Gold loan branches

History of growth and profitability

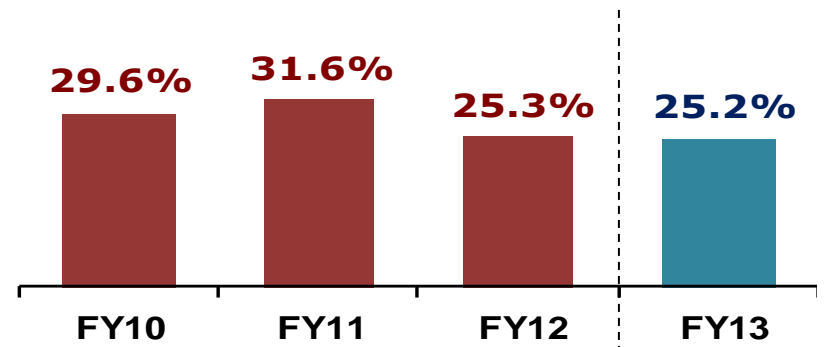
Total Income (Rs Cr)



Profit After Tax (Rs Cr)

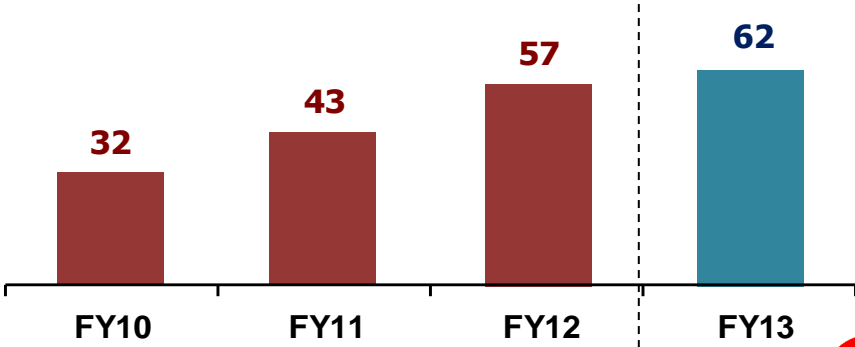


Opex^ to Total Income ratio (%)



^ Opex Includes Employee Benefit Expenses, Other Expenses and Brokerage & Commission

Book Value per share (Rs)*



* On Standalone basis



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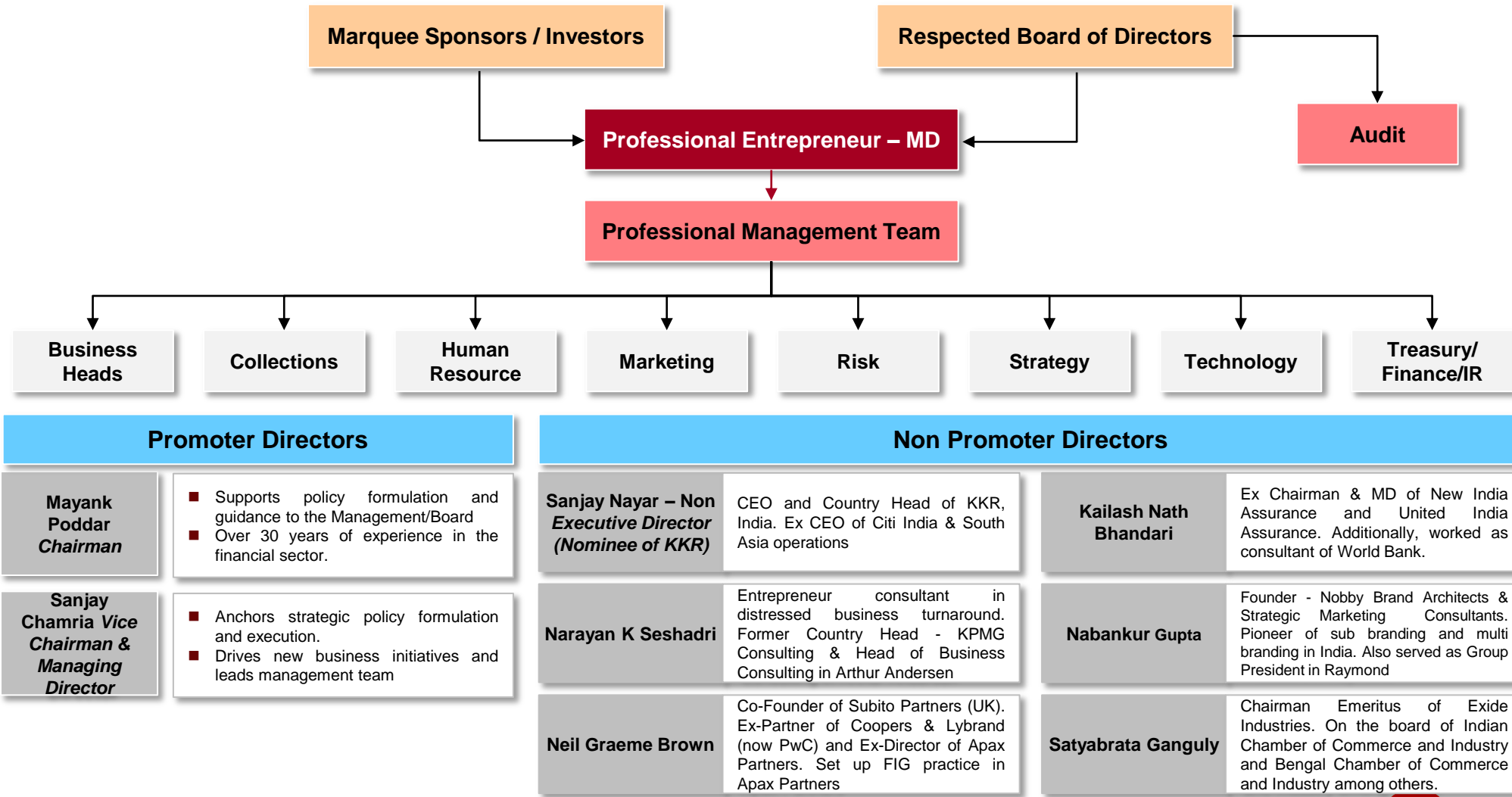
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Respected Board and Professional Management



- High threshold of corporate governance
- One of the first ones to apply norms based on Usha Thorat Committee recommendations
 - Independent directors heading multiple committees

Deep Professional Management Strength

Business Heads	Ashutosh Shukla	COO, Asset Financing Business	➡	Experience of over 25 years in Magma and Consortium Finance. Setup North and West Zone business and headed collections vertical in Magma earlier
	Sachin Khandelwal	MD & CEO, Magma HFC	➡	Experience of over 20 years in sales and marketing. Ex- MD of ICICI Home Finance. Joined Magma in Aug 2012
	Vikas Mittal	Business Head, Gold Loans	➡	Experience of over 20 years in brokerage and wealth management industry. Ex- MD & CEO of Enam Direct & Ex-MD of Citi Wealth Advisors
	Swaraj Krishnan	CEO, Magma HDI General Insurance	➡	Veteran in the general insurance industry. Ex-CEO of Bajaj Allianz General Insurance
Function Heads	V Lakshmi Narasimhan	Chief Financial Officer	➡	Experience of over 22 years in Magma and Consortium Finance. Incubated SME Loans & Tractors business in Magma. Served as National Credit and Risk Head.
	Guru Prasad Pattanaik	Chief of Receivables Management	➡	Experience of over 30 years (12 years in Magma). National Sales Head & Head of business for South and East India in Magma earlier.
	Kailash Baheti	Chief Strategy Officer	➡	Ex-CEO of Century Extrusions. Extensive experience in finance, accounts, compliance and legal functions.
	Sandeep Walunj	Chief Marketing Officer	➡	Experience of over 19 years in consumer marketing in FMCG & Retail businesses. Worked as CMO– Big Bazaar & Value Formats in Future Group; Joined Magma in Aug 2012

Senior management with extensive experience both within Magma and in the industry

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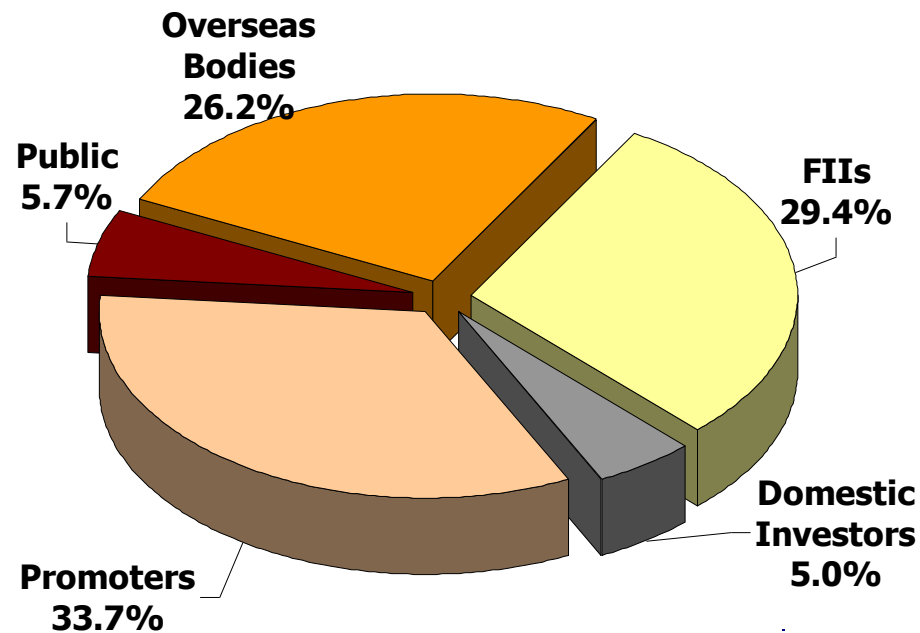
- **Annexures**

Our shareholders

Top Institutional Shareholders

- KKR
- IFC, Washington
- Lavender Investments Ltd
- Wellington Management
- India Capital Fund Ltd

Shareholding Breakup



As on March 31, 2013

Profit & Loss Statement (Standalone)

Amounts in Rs crore

Particulars	Q4 FY13	Q4 FY12	FY13	FY12	Q4 YoY %	YoY %
Income						
- Income from Operations	439.5	284.4	1511.0	975.4	55%	55%
- Other Income	25.7	20.3	95.2	49.3	27%	93%
Total Income	465.1	304.7	1606.2	1024.6	53%	57%
- Finance Costs	246.6	177.2	887.4	598.5	39%	48%
- Employee Benefit Expenses	60.8	40.3	202.8	149.0	51%	36%
- Depreciation	8.5	10.5	36.7	29.6	-19%	24%
- Brokerage & commission	27.1	12.2	91.5	37.8	121%	142%
- Provisions against Standard Assets	0.8	-0.8	12.0	6.3	-200%	90%
- Provision for NPA/ Writeoffs	29.1	15.2	74.1	35.7	92%	107%
- Other Expenses	30.5	32.0	122.5	85.6	-5%	43%
Total Expenses	403.5	286.7	1427.0	942.6	41%	51%
Profit Before Tax	61.7	18.0	179.2	82.1	242%	118%
Tax (incl. Deferred Tax)	18.4	-1.1	56.4	18.8	-1773%	199%
Profit After Tax	43.3	19.1	122.8	63.2	126%	94%
Earnings per share (Rs.)	2.03	0.85	5.74	2.94	138%	95%
Book Value per share (Rs.)	61.8	57.0	61.8	57.0	8%	8%

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



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Balance Sheet (Standalone)

Amounts in Rs crore

Particulars	Mar-13	Mar-12
Shareholder Funds		
- Equity capital	38.0	37.9
- Preference Capital	161.4	142.7
- Reserves & Surplus	1135.6	1043.3
Net Worth	1173.6	1081.3
Non Current Liabilities	3410.0	2103.8
Current Liabilities	6996.8	4623.7
Total Liabilities	11741.9	7951.5
Non Current Assets		
- Fixed assets	174.4	178.8
- Non Current Investments	220.5	33.3
- Other Non Current Assets/ Long term Loans & Advances	6322.4	4178.8
Current Assets		
- Cash & Bank balances	1164.0	789.1
- Current Investments	64.9	0.0
- Other Current Assets/ Short term Loans & Advances etc.	3795.6	2771.4
Total Assets	11741.9	7951.5

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

Profit & Loss Statement: Magma ITL (MITL)

Amounts in Rs crore

Particulars	FY13	FY12	YoY %
- Total Income	101.0	61.8	63%
Total Income	101.0	61.8	63%
- Finance Costs	42.5	32.3	32%
- Operating Expenses	21.5	10.5	104%
- Provisions against Standard Assets	0.8	0.1	591%
- Provision for NPA/ Writeoffs	0.0	-2.8	-100%
Total Expenses	64.8	40.2	61%
Profit Before Tax	36.2	21.6	67%
Profit After Tax	24.4	14.5	68%

Profit & Loss Statement: Magma Housing Finance (MHF)

Amounts in Rs crore

Particulars	FY13^	FY12	YoY %
- Total Income	85.3	105.2	-19%
Total Income	85.3	105.2	-19%
- Finance Costs	44.1	55.8	-21%
- Operating Expenses	20.2	32.9	-39%
- Provisions against Standard Assets	0.9	2.1	-59%
- Provision for NPA/ Writeoffs	1.0	8.3	-88%
Total Expenses	66.1	99.1	-33%
Profit Before Tax	19.2	6.1	217%
Profit After Tax	12.6	4.0	212%

^ Above figures are for full year; Consolidation with Magma is effective 11th Feb 2013

Profit & Loss Statement: Magma HDI General Insurance Company (MHDI)

Amounts in Rs crore

Particulars	FY13
- Total Income	-11.9
Total Income	-11.9
- Finance Costs	0.0
- Operating Expenses	1.6
Total Expenses	1.6
Profit Before Tax	-13.5
Profit After Tax	-9.4

Profit & Loss Statement (Consolidated)

Amounts in Rs crore

Particulars	Q4 FY13	Q4 FY12	FY13	FY12	Q4 YoY %	YoY %
Income						
- Income from Operations	475.8	302.6	1606.9	1031.5	57%	56%
- Other Income	30.1	26.1	94.6	48.5	16%	95%
Total Income	505.9	328.7	1701.5	1080.0	54%	58%
- Finance Costs	266.1	184.2	926.2	625.4	45%	48%
- Employee Benefit Expenses	60.7	40.3	204.0	149.0	51%	37%
- Depreciation	8.9	10.5	37.6	29.6	-16%	27%
- Brokerage & commission	28.0	12.3	92.9	37.8	128%	146%
- Provisions against Standard Assets	2.0	-1.0	14.0	6.4	-305%	119%
- Provision for NPA/ Writeoffs	36.5	22.4	82.6	41.4	63%	100%
- Other Expenses	38.3	32.5	131.6	86.6	18%	52%
Total Expenses	440.6	301.2	1489.0	976.3	46%	53%
Profit Before Tax	65.4	27.5	212.5	103.7	137%	105%
Tax (incl. Deferred Tax)	19.7	2.1	67.5	25.9	861%	161%
Profit After Tax	45.6	25.5	144.9	77.8	79%	86%
Earnings per share (Rs.)	2.08	1.10	6.55	3.56	89%	84%
Book Value per share (Rs.)	73.6	58.1	73.6	58.1	27%	27%

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



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Balance Sheet (Consolidated)

Amounts in Rs crore

Particulars	Mar-13	Mar-12
Shareholder Funds		
- Equity capital	38.0	37.9
- Preference Capital	197.0	142.7
- Reserves & Surplus	1359.4	1063.6
Net Worth	1397.4	1101.5
Minority Interest	25.5	18.8
Non Current Liabilities	4006.7	2163.4
Current Liabilities	7487.2	4727.4
Total Liabilities	13113.8	8153.8
Non Current Assets		
- Fixed assets	190.2	178.8
- Non Current Investments	199.6	0.0
- Other Non Current Assets/ Long term Loans & Advances	7431.9	4321.6
Current Assets		
- Cash & Bank balances	1217.8	810.1
- Current Investments	67.3	0.0
- Other Current Assets/ Short term Loans & Advances etc.	4006.9	2843.3
Total Assets	13113.8	8153.8

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



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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.