



Reaching New Heights in Retail Finance

• **Business Update**

• **Financial Results – Q2 FY13**

• **Business Overview & Strategy**

• **Leadership Team**

Business Update – Q2 FY13

1

Disbursements increase by 45% y-o-y to Rs 2,262 crore in Q2 FY13

2

33 branches opened in Q2 FY13 taking total operational branches to 240

3

NIM on fresh disbursements increased by 43 bps over Q1 FY13 to 4.91%

4

Revenues increase by 58% y-o-y, to Rs 398 crore in Q2 FY13

5

Profit After Tax increases by 33% y-o-y, to Rs 28.2 crore in Q2 FY13



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Summary – Q2 FY13 Results

Performance Highlights of Q2 FY13 vs Q2 FY12

Q2 FY13

398

42.3

28.2

1.26

58%

40%

33%

30%

Q2 FY12

252

30.2

21.3

0.97

**Total
Income**

**Profit
Before Tax**

**Profit After
Tax**

**EPS
(Rs/share)**

Values in Rs crore unless specified otherwise

Summary – H1 FY13 Results

Performance Highlights of H1 FY13 vs H1 FY12

H1 FY13

750

90.8

61.2

2.74

59%

63%

59%

39%

H1 FY12

473

55.6

38.4

1.97

**Total
Income**

**Profit
Before Tax**

**Profit After
Tax**

**EPS
(Rs/share)**

Values in Rs crore unless specified otherwise



MAGMA
Investing in the smallest dream

Disbursements – Q2 FY13

Product	Disbursement (Rs crore)	YoY growth	ATS (Rs lakh)	LTV	Tenure (months)	Net IRR* (% p.a.)
Cars	737	61%	4.1	67%	44	14.5
Commercial Vehicles (CV)	507	13%	10.1	87%#	44	14.0
Construction Equipment	360	23%	22.8	75%	40	13.7
Used CV	205	105%	5.3	70%	35	19.2
Tractors	287	74%	3.2	61%	44	20.1
SME Loans	166	75%	24.0	N/A	31	17.0
Total	2,262	45%	6.0	73%	41	15.5

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%

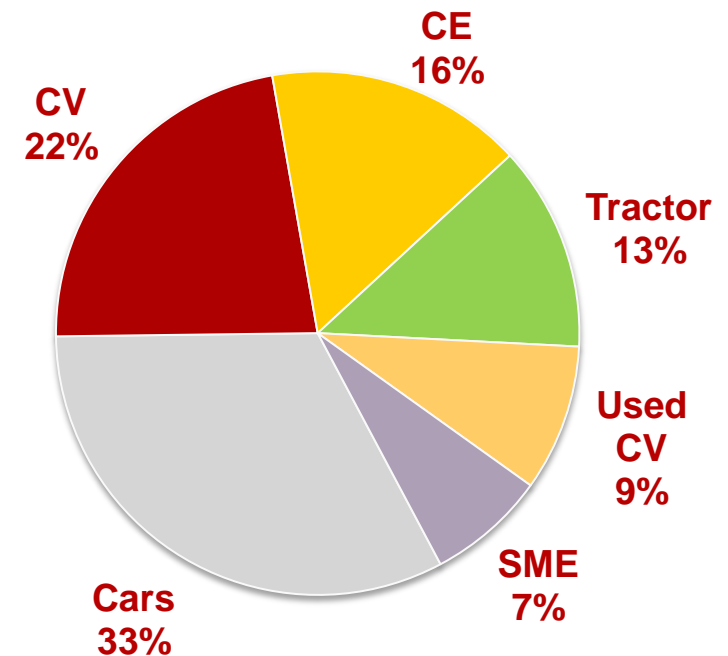
* Net IRR is lending rate on reducing balance basis, net of payouts to Direct Selling Agents (DSA) and pay-ins from manufacturers/dealers (discounts/subventions).

Disbursement Growth

Disbursements in Rs crore

Product	Q2 FY13	Q2 FY12	YoY growth	Industry growth
Car	737	458	61%	4.2%
CV	507	447	13%	1.7%
CE	360	293	23%	-14.9%
Used CV	205	100	105%	N/A
Tractor	287	165	74%	-12.3%
SME	166	95	75%	N/A
Total	2,262	1,558	45%	N/A

DISBURSEMENT MIX – Q2 FY13

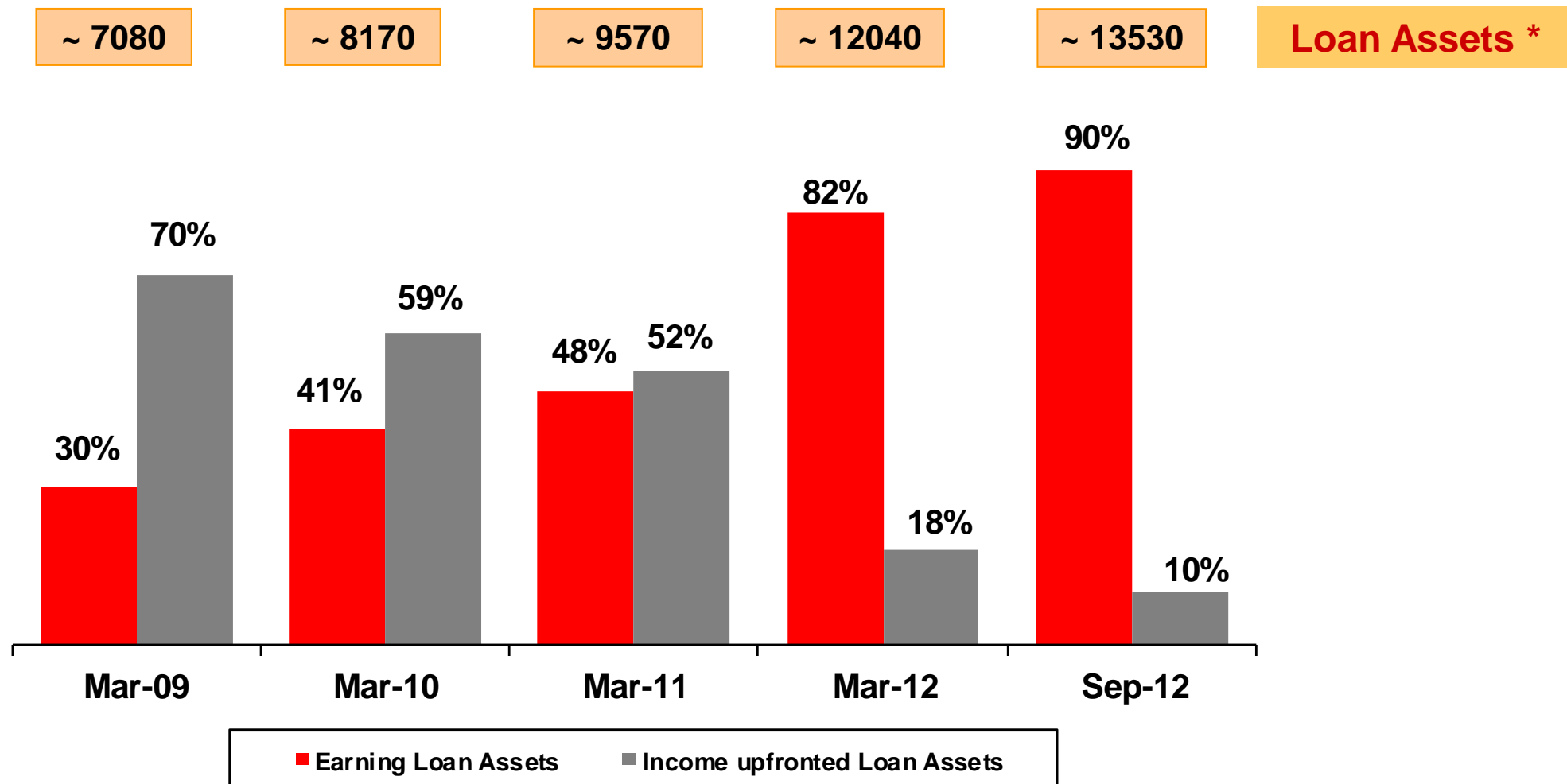


Gained market share significantly across Car/MUV, Tractors & Used CV segments



Loan Book

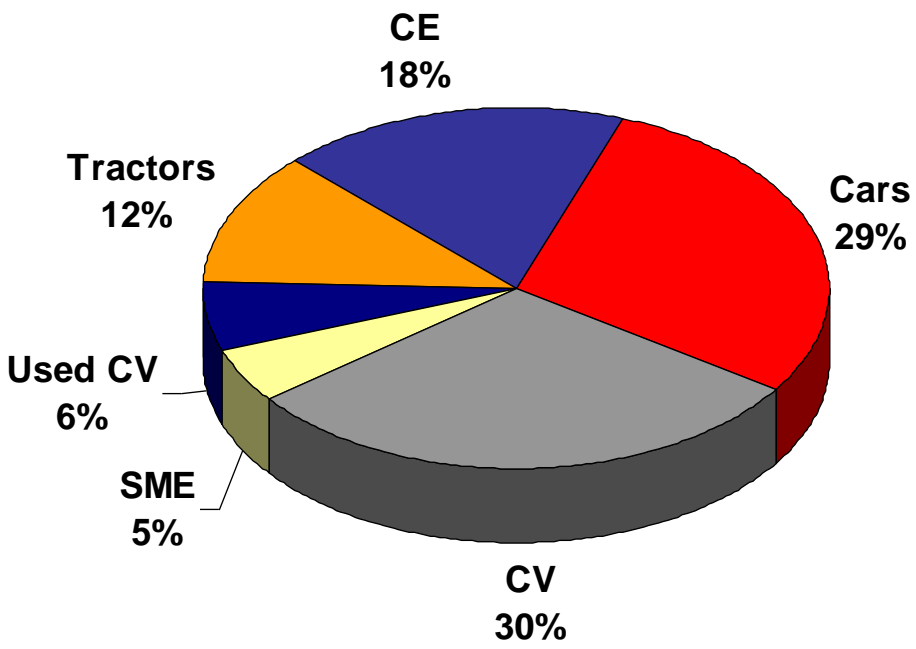
All amounts in Rs crore



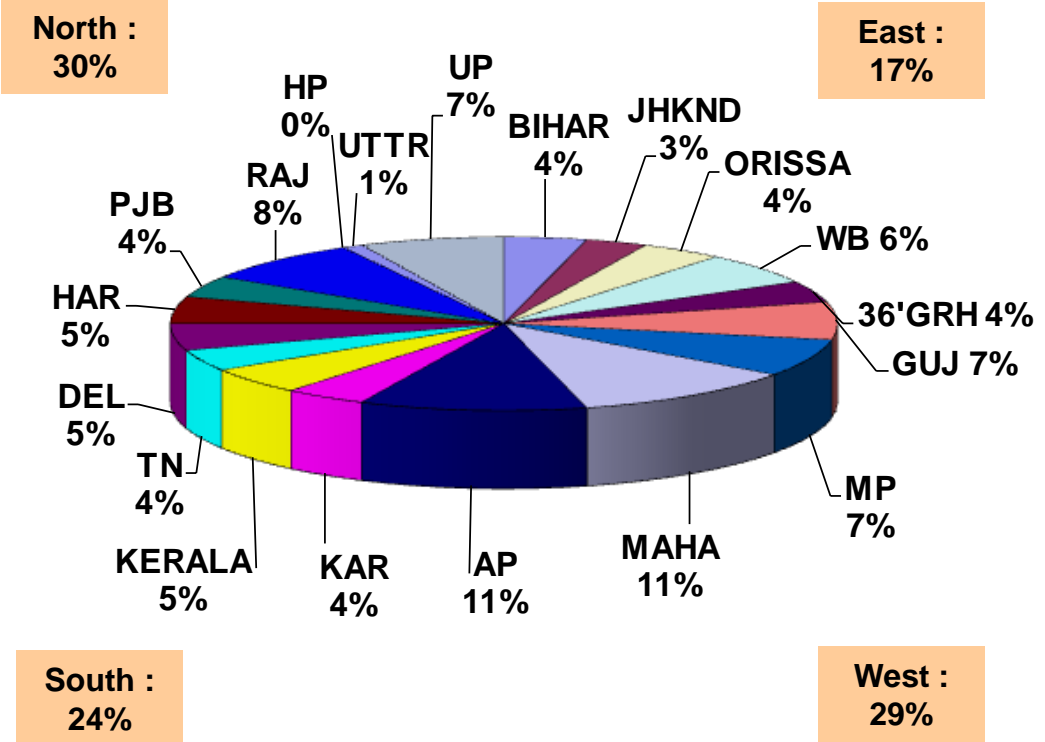
* Include On Book and Off Book Loan assets

Diversified Asset Portfolio

PRODUCT MIX OF ASSETS



STATE WISE EXPOSURE



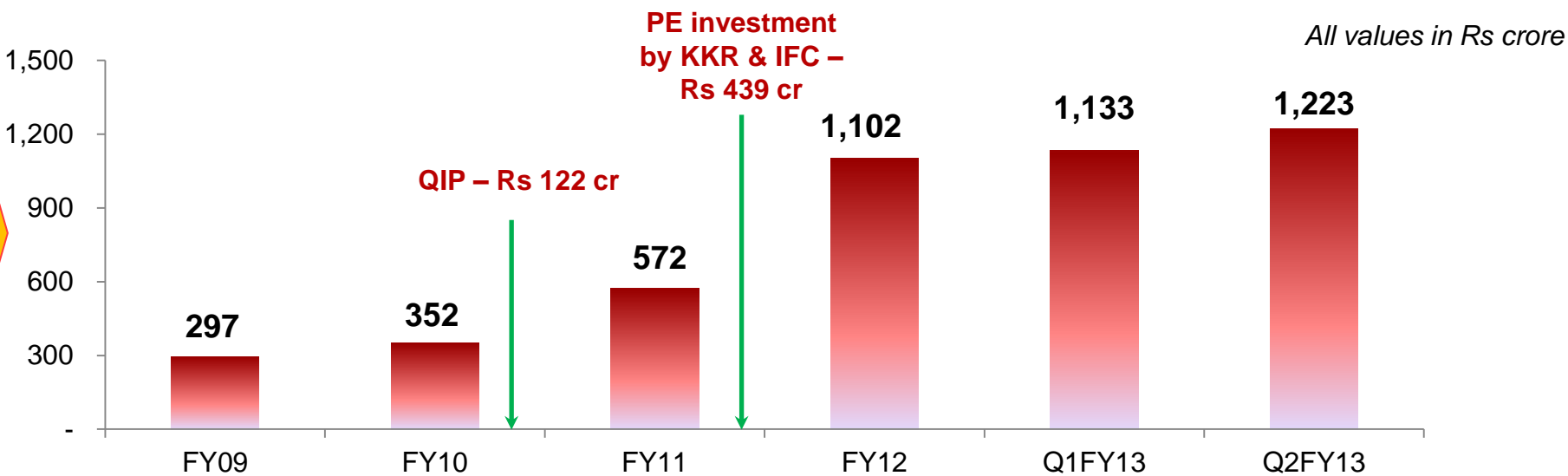
Wide canvass across geographies & products mitigates impact of any external shocks

Include On Book and Off Book Loan assets
 AUM as on 30th Sep 2012

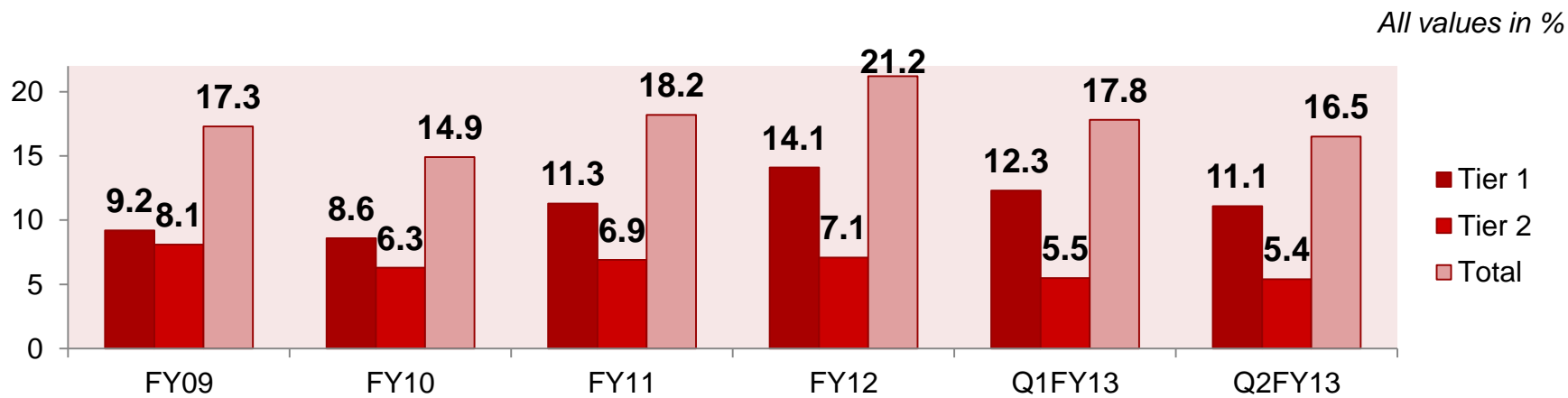


Capital Adequacy

NET WORTH



CAPITAL ADEQUACY



Value as on the last day of the period



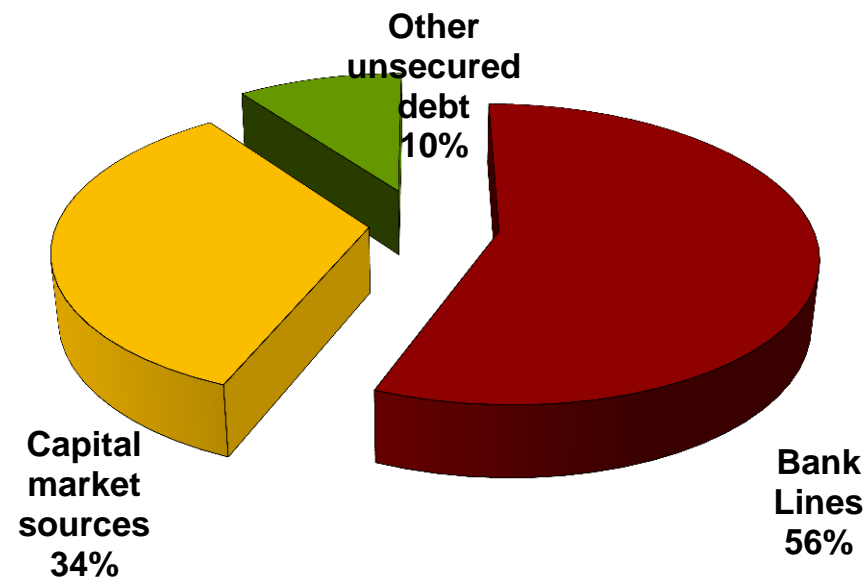
Liabilities

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-
Securitisation	AA/AAA (SO)

LIABILITY MIX

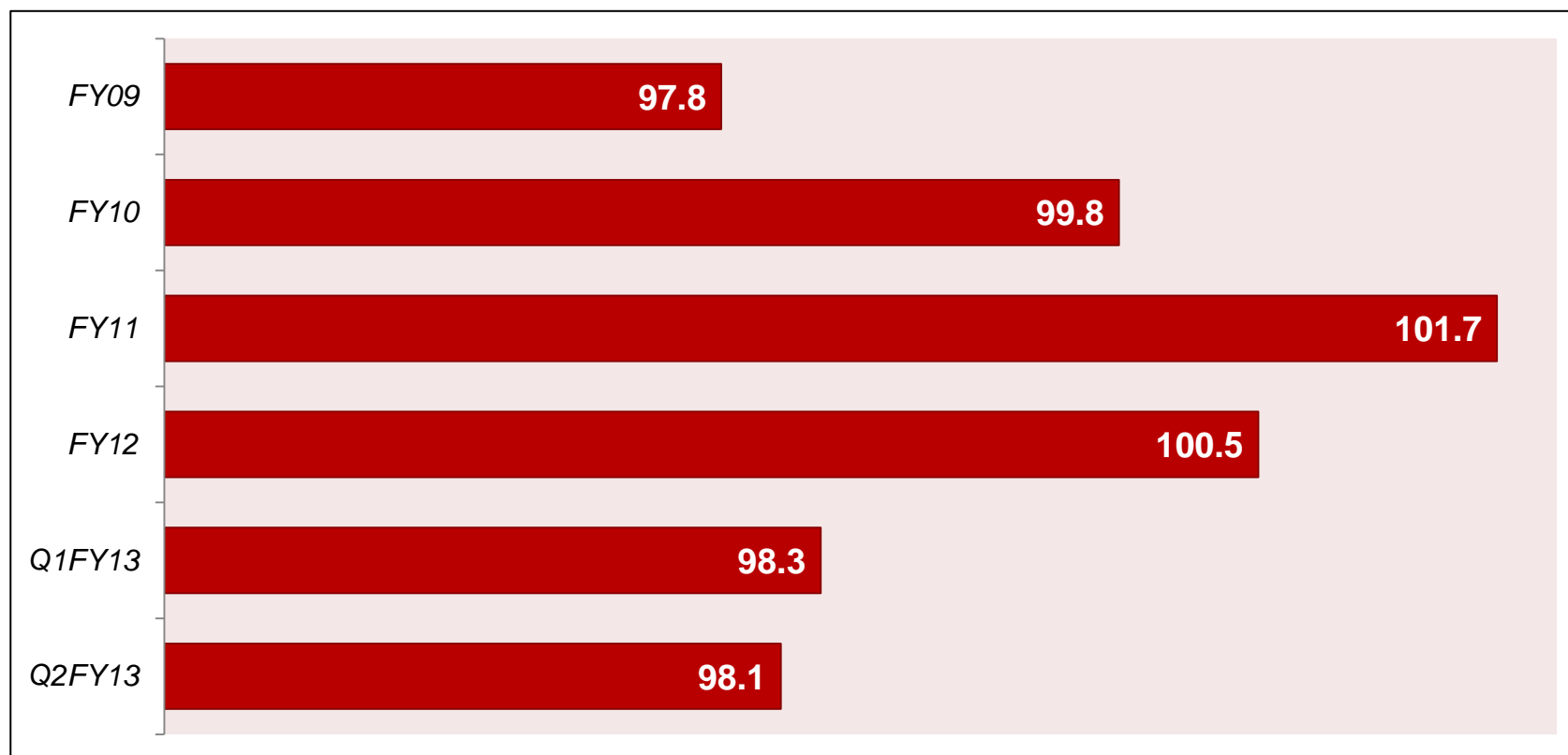


Total Debt O/S: Rs 8,768 crore

Includes on book liabilities as on 30th Sep 2012

Collection Efficiency

All values in %



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

Write Off Policy

MAGMA WRITE OFF POLICY

- 100% write off after 180 days past due
- 100% NPA coverage
- No restructuring of loans (0 cases of restructuring in 3 lakh+ live customers)

Aggressive write off policy leads to better asset quality and higher write off than as per RBI norms

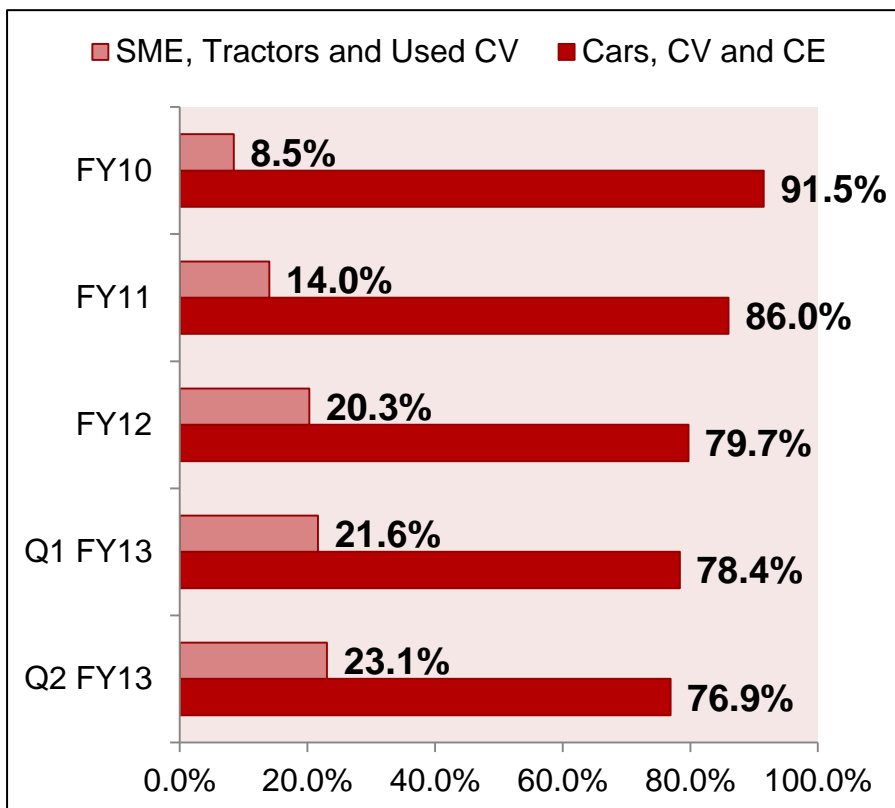
PROVISIONING NORMS

Months Past Due	RBI		Magma
6 to 24 months	10% of total		100% of total
	Covered	Uncovered	
24 to 36 months	20%	100%	N/A
36 to 60 months	30%	100%	N/A
Over 60 months	50%	100%	N/A

Write Offs

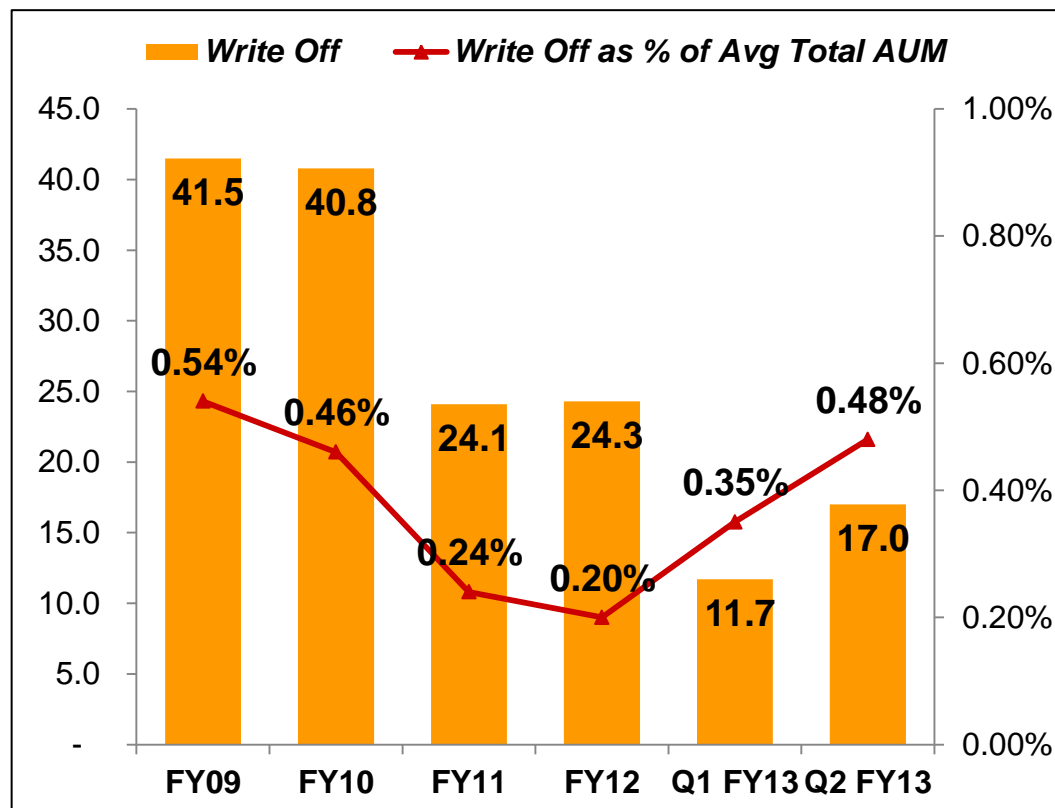
AUM MIX SHIFT

All values in %



WRITE OFFS ^

Write off values in Rs crore



^ Net write off excludes Standard Assets Provisioning (0.16% of Total AUM in June 12 to 0.17% of Total AUM in Sep 12)



Profitability

	Q2 FY13	Q2 FY12	Q1 FY13		H1 FY13	H1 FY12		FY12
Total Income/Assets	15.7%	14.2%	16.0%		15.7%	14.2%		14.9%
Interest exp./Assets	8.8%	8.1%	8.4%		8.5%	8.0%		8.8%
Gross Spread	6.9%	6.0%	7.6%		7.2%	6.2%		6.1%
Overheads/Assets	4.4%	3.8%	4.7%		4.5%	4.0%		4.3%
Provisions/Assets	0.1%	0.1%	0.1%		0.2%	0.1%		0.1%
Write Offs/Assets	0.7%	0.4%	0.6%		0.6%	0.4%		0.3%
Net Spread (pre tax)	1.7%	1.7%	2.2%		1.9%	1.7%		1.5%
RoA	1.1%	1.2%	1.5%		1.3%	1.2%		1.1%
RoE	8.1%	6.8%	10.1%		9.0%	7.7%		7.4%

^ Assets is average of opening and closing value of On Book Assets

Profit & Loss Statement (Consolidated) – Q2 FY13

All amounts in Rs crore

Amt in Rs Cr	Q2 FY13	Q2 FY12	H1 FY13	H1 FY12	Q2 YoY %	H1 YoY %	FY12
Disbursements	2262	1558	4319	2980	45%	45%	7404
Income							
- Income from Operations	381.9	243.9	707.1	455.7	57%	55%	1031.5
- Other Income	16.3	8.0	42.9	17.4	103%	147%	31.5
Total Income	398.2	251.9	750.0	473.1	58%	59%	1063.0
- Finance Costs	222.6	144.7	407.9	265.5	54%	54%	625.4
- Employee Benefit Expenses	46.6	35.7	94.2	74.3	31%	27%	149.0
- Depreciation	7.6	6.2	19.8	12.7	23%	56%	29.6
- Provisions against Standard Assets	3.5	2.0	7.2	4.9	76%	48%	6.4
- Brokerage & commission	22.7	7.3	40.7	14.7	212%	176%	37.8
- Net Write-offs for bad debts	17.0	6.7	28.7	12.3	154%	134%	24.3
- Other Expenses	35.8	19.1	60.7	33.1	88%	83%	86.7
Total Expenses	355.9	221.7	659.2	417.4	61%	58%	959.3
PBT	42.3	30.2	90.8	55.6	40%	63%	103.7
Tax (incl. Deferred Tax)	14.1	9.0	29.5	17.2	57%	72%	25.9
PAT	28.2	21.3	61.3	38.4	33%	59%	77.8
EPS	1.26	0.97	2.74	1.97	30%	39%	3.56
BV	64.1	58.0	64.1	58.0	11%	11%	58.1
Return on Avg. Assets	1.1%	1.2%	1.3%	1.2%	-0.1%	0.1%	1.1%
Return on Net Worth	8.1%	6.8%	9.0%	7.7%	1.3%	1.3%	7.4%



Balance Sheet (Consolidated) – Q2 FY13 Closing

All amounts in Rs crore

Amt in Rs Cr	Sep-12	Sep-11	Mar-12
Shareholder Funds			
- Equity capital	38.0	35.9	38.0
- Preference Capital	129.7	146.9	142.7
- Reserves & Surplus	1185.9	1010.7	1063.6
- Optionally Convertible Warrants		12.5	
Minority Interest	22.5	16.5	18.8
Share application money, pending allotment	17.5		
Non Current Liabilities	2679.3	1048.7	2165.3
Current Liabilities	6853.9	5340.8	4759.7
Total Liabilities	10926.7	7612.0	8188.0
Non Current Assets			
- Fixed assets	170.1	180.7	178.8
- Non Current Investments	16.5	0.0	0.0
- Other Non Current Assets/ Long term Loans & Advances	6105.5	4056.2	4315.4
Current Assets			
- Cash & Bank balances	613.3	678.1	810.1
- Other Current Assets/ Short term Loans & Advances etc.	4021.2	2697.0	2883.7
Total Assets	10926.7	7612.0	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

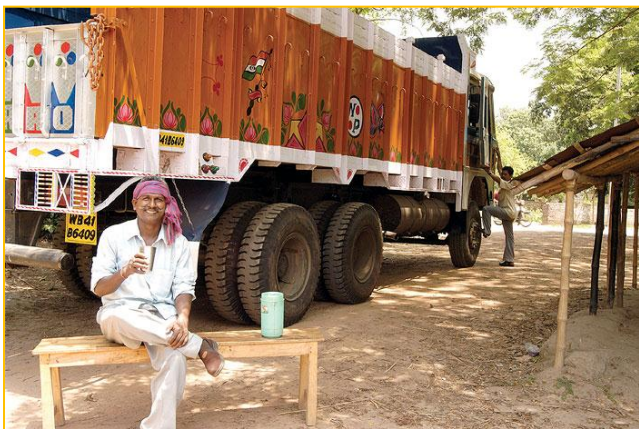
Magma caters to diverse financial needs of small entrepreneurs in rural* and semi rural* markets of India ...where large banks and institutions fail to reach and serve.



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 - 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



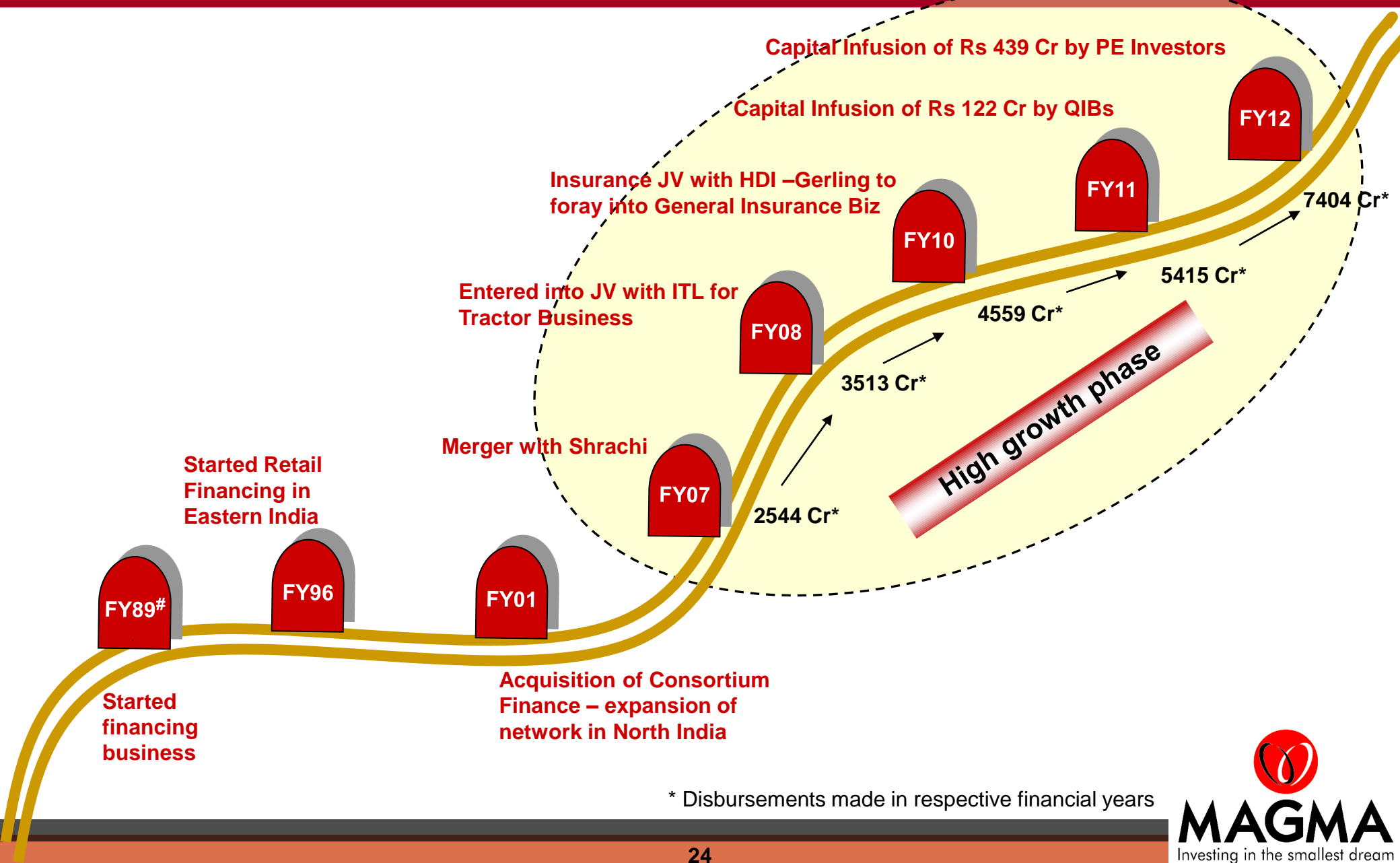
Loan against Gold



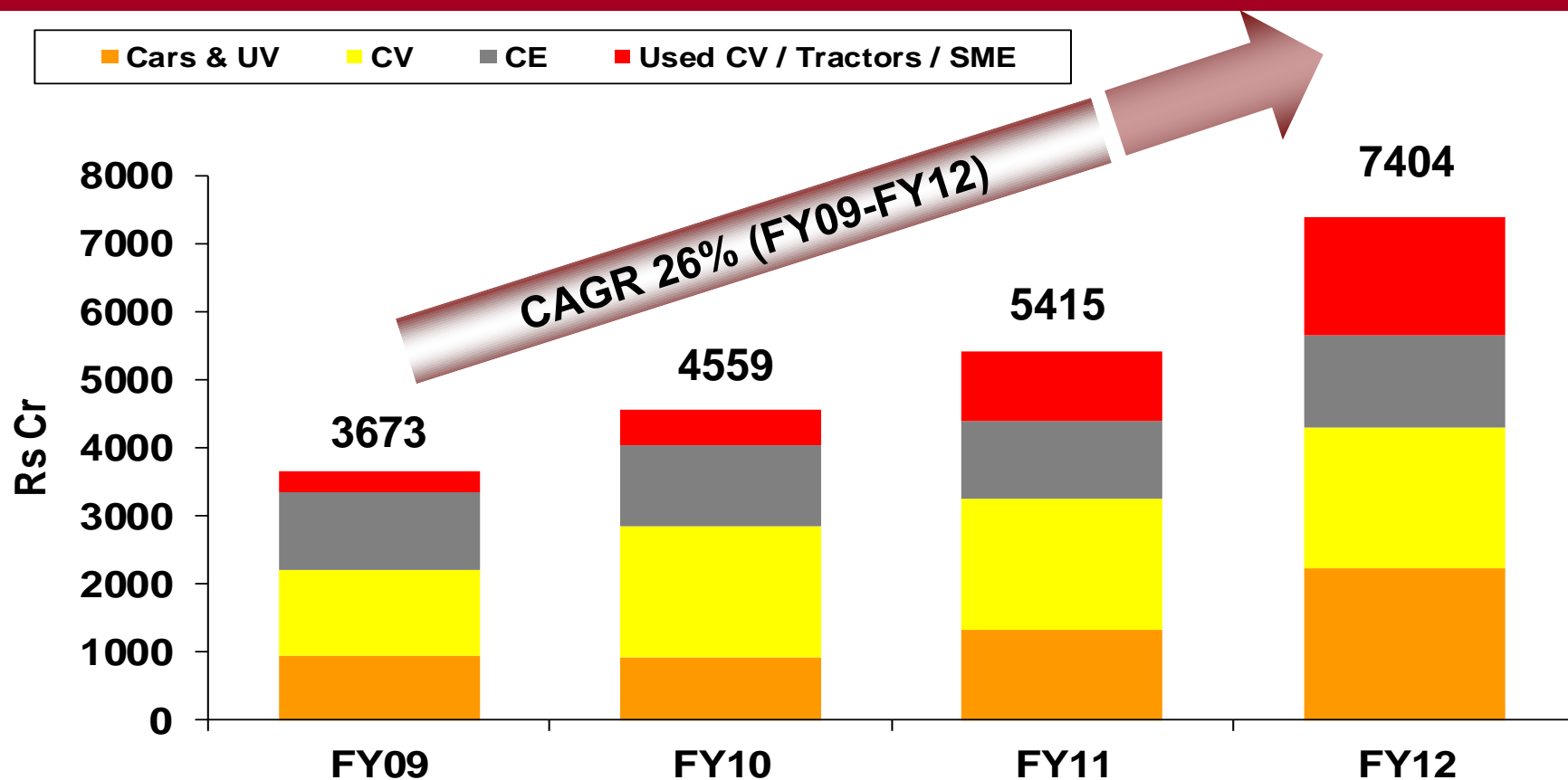
Infrastructure support for Asset Insurance and Credit Covers



Over two decades of successful organic and inorganic growth



Disbursement growth

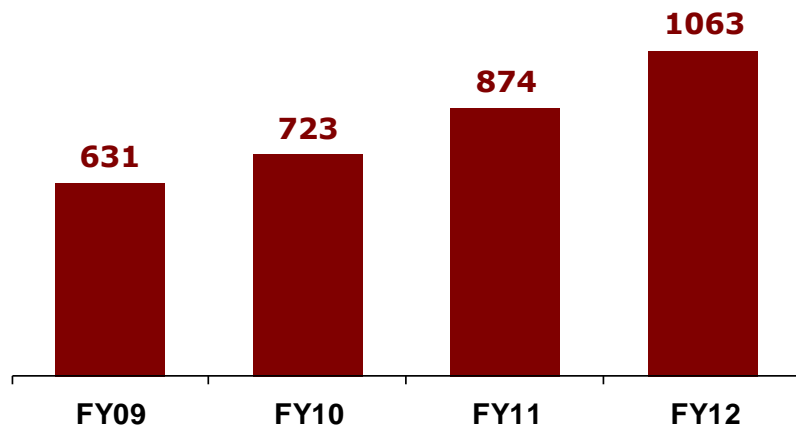


□ Disbursement CAGR FY09-FY12

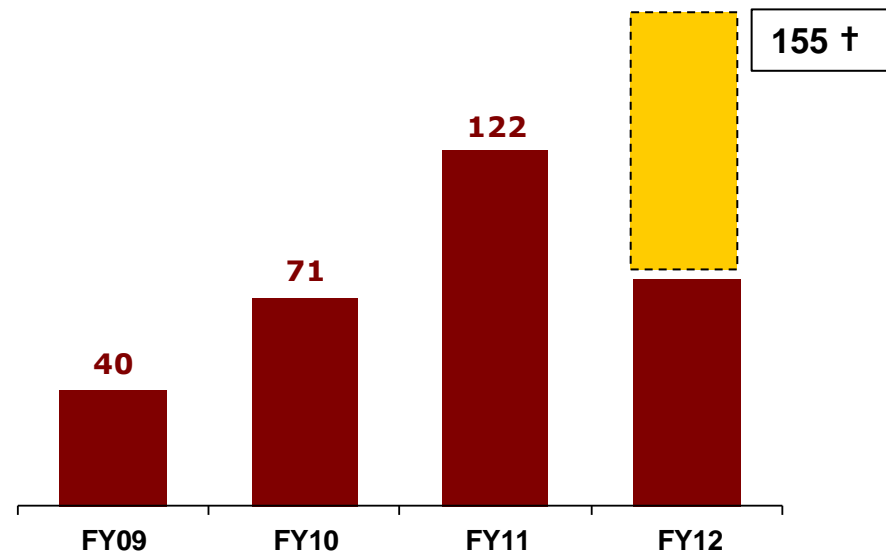
- Tractor - 113%
- Used CV - 58%
- SME - 57%

History of growth and profitability

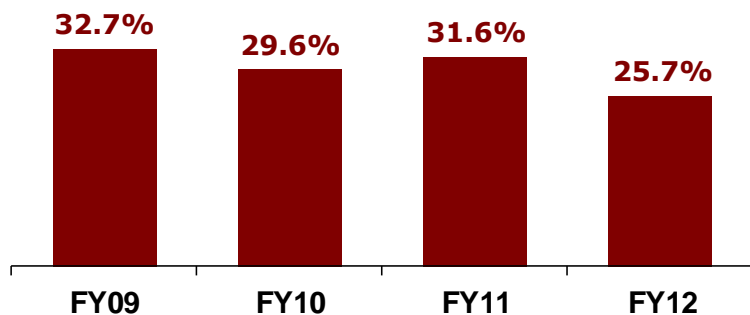
Total Income (Rs Cr)



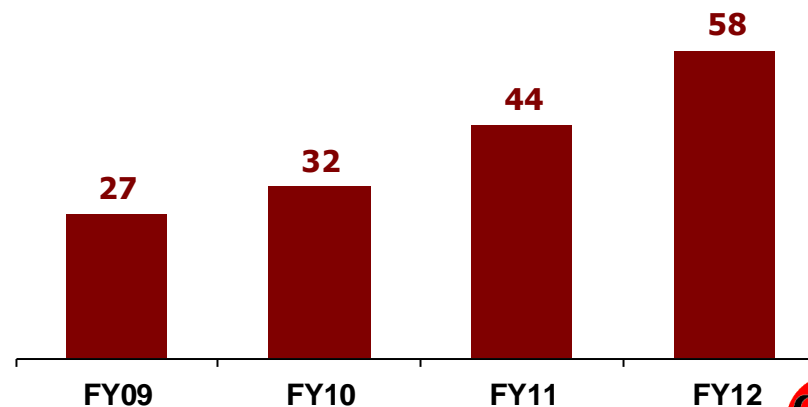
Profit After Tax (Rs Cr)



Operating Efficiency (Costs to Total Income Ratio)

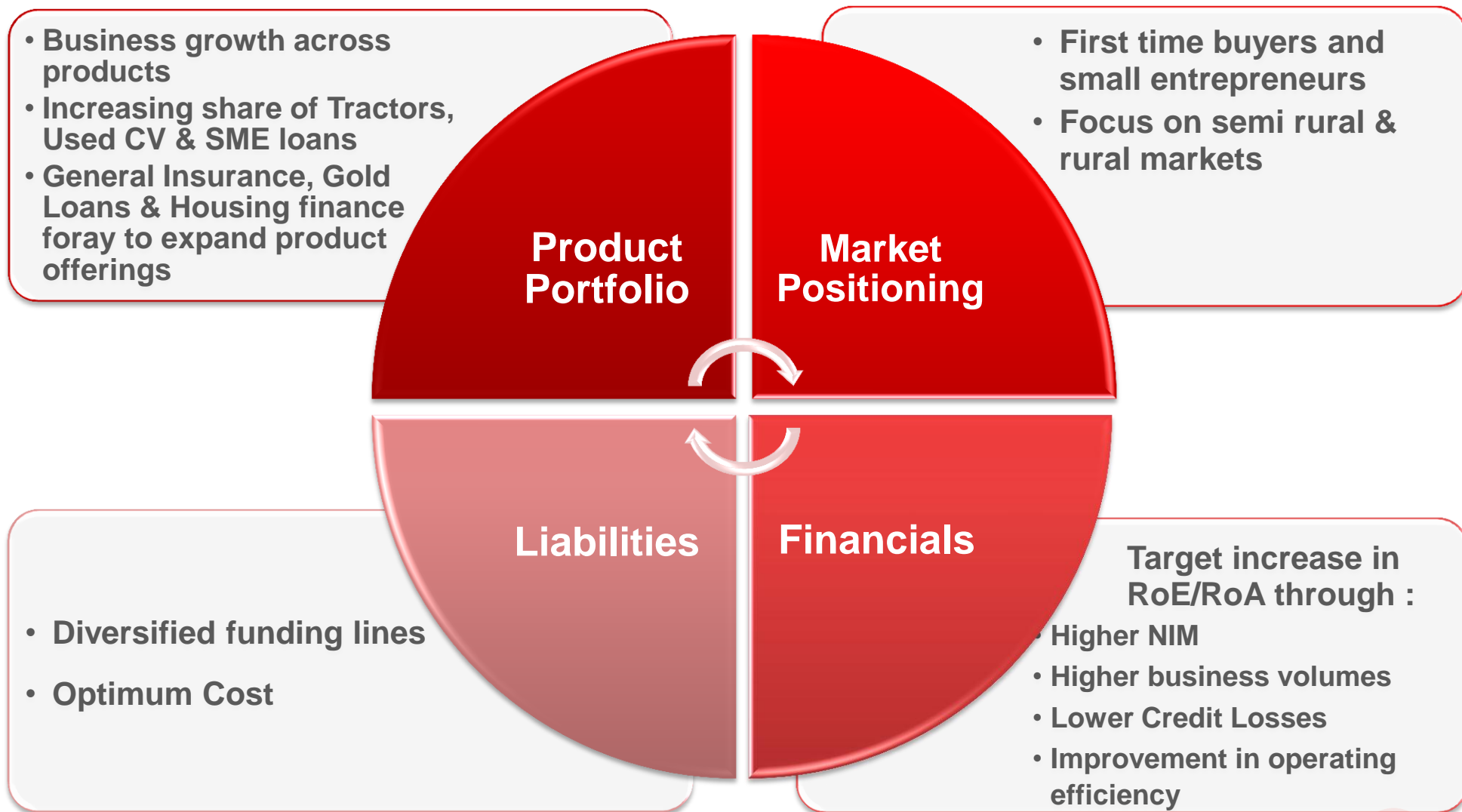


Book Value (Rs.)

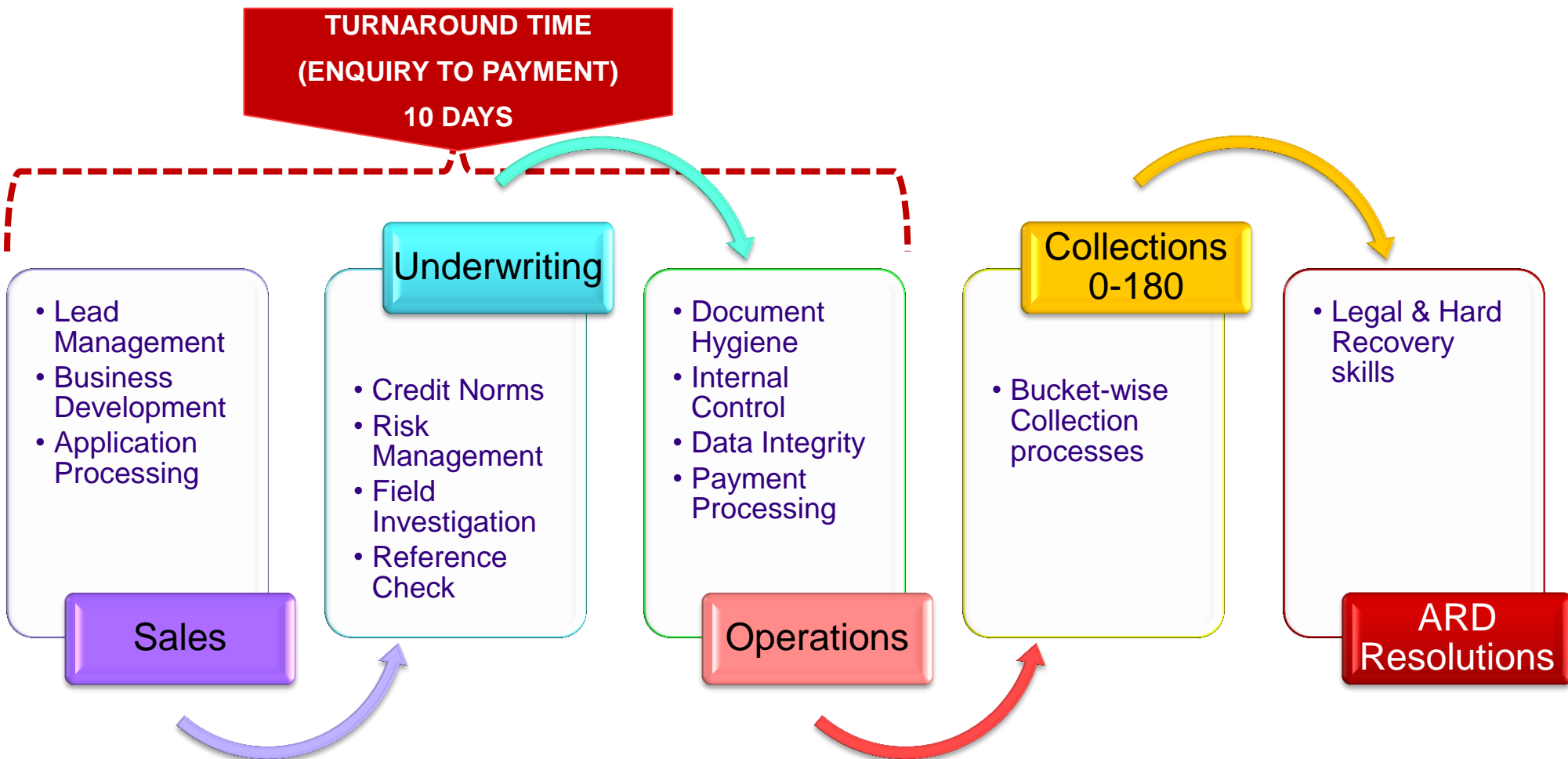


† Pro forma Nos. – adjusted for the accounting changes implemented FY12 onwards for amortization of securitization/assignment income and sourcing expenses

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

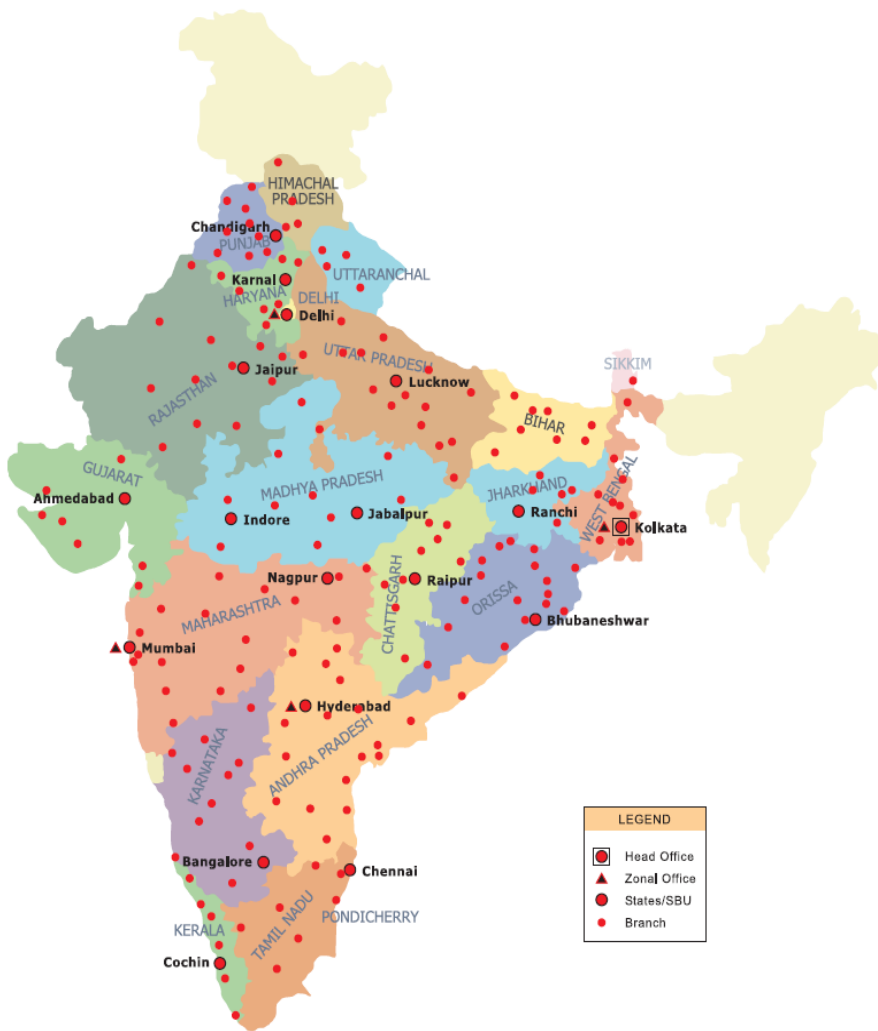
- Assets categorized into different levels based on market share and price realization on re-sale
- Retail grade of customers offered standard assets only
- LTV offerings based on customer profile

Documentation

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

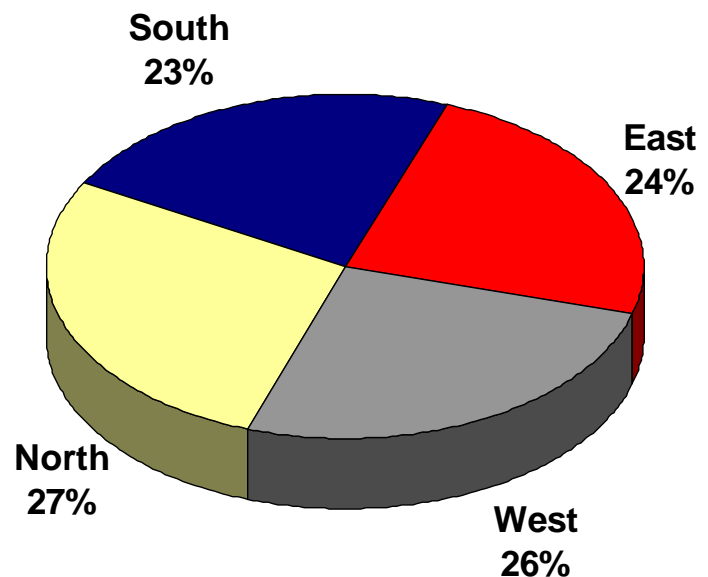


Branch network



240# Branches across 21 States / UT
 Covering **2,900** business clusters
78% Branches in rural*/semi rural* markets
Over 6,600 employees including **~5,400** field officers

Geographical Mix



As of Sep 30, 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), 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 12

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 MIS, budgeting and accounts 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 12
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 (Kohlberg Kravis Roberts & Co.)
- IFC, Washington

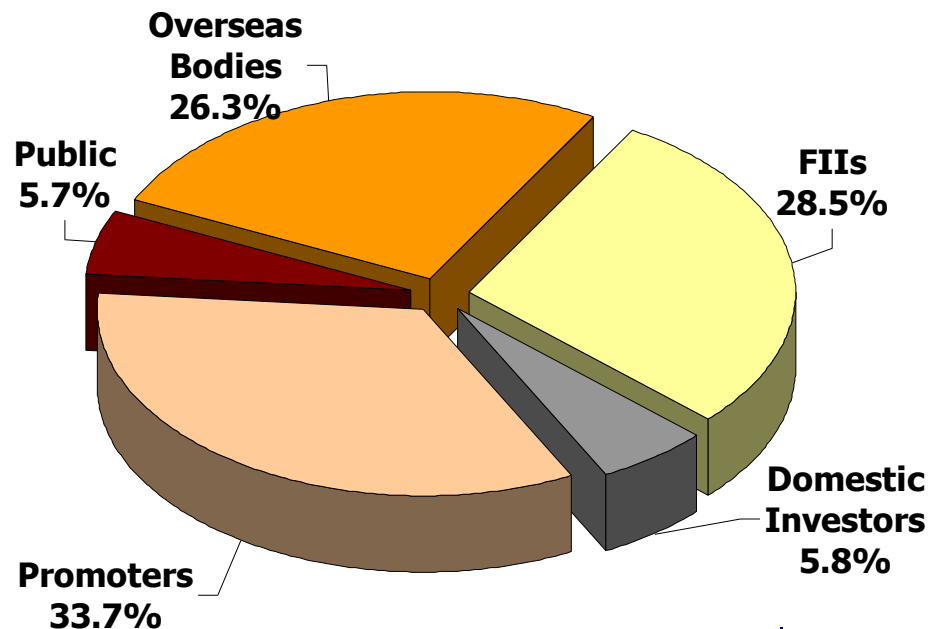
FII's

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

Domestic Investors

- Sundaram BNP Paribas Mutual Fund
- UTI Mutual Fund

SHAREHOLDING BREAKUP



As on Sep 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.