

April 27, 2012

The Secretary,
Corporate Relationship Department,
Bombay Stock Exchange Limited,
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001.

(Company Code - 524000)

Manager,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

(Symbol – MAGMA)

Dear Sir,

Sub: Press Release in respect of Audited Financial Results for the year ended 31st March, 2012 and Fourth Quarter ended 31st March, 2012

Enclosed herewith please find the Press Release on the Performance of the Company for the Financial Year ended 31st March, 2012 and Fourth Quarter ended 31st March, 2012.

This is for your information and record.

Thanking You,
Yours faithfully,
For **MAGMA FINCORP LIMITED**



Girish Bhatia
(Company Secretary)

Enclosed: As above

FY 12 highlights
Disbursements up 37%, Income up 22%
Collection efficiency at 100.5%, write-offs @0.20%

Kolkata, 27th April 2012: Leading asset finance company, Magma Fincorp Limited announced the Q4 and FY12 audited results today that reflected strong growth in Loan disburseals and Assets under Management (AUM) over corresponding periods of the previous year. While the Q4 disbursement grew 28% to record Rs 2509 Crore, the FY12 disbursement was recorded at Rs 7404 Crores – up 37% over FY11. Total AUM of the company has grown to Rs 13293 Crore as on 31st March 2012, an impressive increase of 22% over 31st Mar 2011. The company has maintained healthy CRAR of 21.2% as on 31st March, 2012 against the mandatory 15% prescribed by the RBI.

The company recorded strong growth in Car, Suvidha (Used CV) and Tractor Finance during the year and all three products reached new high with Car finance growing by 70%, Tractor and Suvidha by 76% and 97% respectively for the year.

Inspite of repeated increase in the policy rates, the overall spread has been maintained at 4.3% for the year resulting in the overall income of the company increasing by 22% to Rs 1063 crore compared to the previous fiscal.

The company recorded Profit before Tax (PBT) of Rs 27.53 crore and Profit after Tax (PAT) of Rs 25.48 crore in Q4 and Rs 77.79 crore (PAT) for the year.

In view of the change in business strategy from the beginning of the year, Magma has used securitization as an effective treasury tool unlike the previous years when it was more a funding strategy. Acting prudently, it had also, at the beginning of FY12 altered its accounting policy on recognition of gain on securitization/assignment and now accrues the income and expenses over the tenure of the loan contracts as opposed to the upfront recognition of income. As a result of the above changes, the profits of the company for the quarter and the year ended 31st March, 2012 is not comparable with the previous year even though on a proforma basis, a like to like comparison would have resulted in PAT being Rs 155 crores against Rs 77.79 crores as reported.

Commenting on the company's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "We have exhibited a strong 37% growth in our disbursements, despite sluggish industry growth, increase in the interest rates and rise in fuel costs.



Our portfolio quality has been robust with Collection performance recorded at 100.5 % for FY12 and Write offs remaining below FY11 levels at 0.20% to the AUM. Eventhough as a consequence of the changes in our accounting policy our PAT for FY12 is Rs. 78 Cr, on a like to like basis our PAT will be Rs. 155 Cr. "

"FY13 will be a year of reckoning for Magma as the company is confident of reaping benefits from the various initiatives it undertook in FY12. We will drive our business with a view to increase disbursement by **50%** over FY12 in the current year. We will also be launching – Loan against Jewellery and Affordable Housing Finance during FY13 which will also contribute to the overall business." 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. Magma has a dedicated base of around 2.9 lac customers and has assets of INR 13293 crore under management. The company has 200 branches in 21 states / 1 UT and employs over 5700 people.

www.magma.co.in

**Certified To Be True Copy
For MAGMA FINCORP LIMITED**


GIRISH BHATIA
Company Secretary