



MAGMA FINCORP LIMITED

Unaudited Consolidated Financial Results for the Quarter Ended 30th June 2011

(Rs. in lacs)

Particulars	Quarter ended		Year ended
	30th June 2011	30th June 2010	31st March 2011
	(Unaudited)	(Unaudited)	(Audited)
1. Income From Operations	20,440.70	16,354.05	81,903.98
2. Other Operating Income	1,564.15	1,550.61	5,330.13
Total Operating Income (A)	22,004.85	17,904.66	87,234.11
3. Staff Cost	3,856.36	3,190.88	13,464.99
4. Depreciation	649.00	728.36	2,785.07
5. Provision for Standard Assets	288.00	-	1,148.00
6. Brokerage & Commission	741.73	1,591.30	7,009.07
7. Bad Debts Written-off (net)	559.71	988.27	2,408.43
8. Other Operative & Administrative Expenses	1,401.57	1,338.58	7,132.15
Total Operating Expenditure (B)	7,496.37	7,837.39	33,947.71
9. Profit From Operations Before Other Income & Interest (A-B)	14,508.48	10,067.27	53,286.40
10. Other Income	108.44	35.78	169.12
11. Profit Before Interest & Tax	14,616.92	10,103.05	53,455.52
12. Interest & Finance Charges	12,079.09	7,331.87	35,234.54
13. Profit Before Tax	2,537.83	2,771.18	18,220.98
14. Tax Expense (Includes Deferred Tax)	824.77	953.87	6,006.38
15. Profit After Tax	1,713.06	1,817.31	12,214.60
16. Share of Minority Interest Profit	74.81	46.07	200.55
17. Profit After Tax & Minority Interest	1,638.25	1,771.24	12,014.05
18. Paid-Up Equity Capital (Face Value Rs.2/-Each)	3,592.56	2,586.96	2,595.47
19. Reserves & Surplus	-	-	54,629.23
20. Earning Per Share			
- Basic (In Rs.)	1.04	1.32	8.57
- Diluted (In Rs.)	1.02	1.31	8.38
21. Public Shareholding			
- Number Of Shares	126,940,647	75,268,985	75,746,047
- Percentage Of Shareholding	70.67%	58.19%	58.37%
22. Promoters and promoter group Shareholding			
a) Pledged/Encumbered			
- Number of Shares	7,297,733	-	-
- % of Shares (to total shareholding of promoter and promoter group)	13.85%	-	-
- % of Shares (to total share capital of the Company)	4.06%	-	-
b) Non-encumbered			
- Number of Shares	45,389,545	54,079,115	54,027,503
- % of Shares (to total shareholding of promoter and promoter group)	86.15%	100.00%	100.00%
- % of Shares (to total share capital of the Company)	25.27%	41.81%	41.63%





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Notes :

- 1] The financial results have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on 12th July 2011.
- 2] The Statutory Auditors have carried out the Limited Review of the unaudited financial results as required under Clause 41 of the listing agreement.
- 3] In accordance with Clause 41 of the Listing Agreement, the Company has opted to publish unaudited consolidated financial results. The unaudited standalone results of the Company will, however, be available on the Company's website www.magma.co.in or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- 4] The consolidated financial statements have been prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) and comprise of the financial results of Magma Fincorp Limited and its subsidiary, Magma IFL Finance Limited.
- 5] Pursuant to the approval of the shareholders at the Annual General Meeting held on 15th July 2010, equity shares of face value of Rs.10/- each were sub-divided into five equity shares of face value of Rs.2/- each on record date of 16th August 2010. Accordingly, the EPS has been recalculated based on face value of Rs.2/- each for the corresponding previous quarter as required by Accounting Standard 20 (Earnings Per Share).
- 6] On 30th June 2011, the Company has allotted 26,854,375 Equity Shares of Rs.2/- each to Zend Mauritius VC Investments, Limited, Foreign Bodies Corporate (a fund within the private equity division of Kohlberg, Kravis Roberts & Co. LP) ('KKR') and 23,000,000 Equity Shares of Rs.2/- each to International Finance Corporation, ('IFC'), a Multilateral Development Organization, on preferential basis pursuant to provisions of Section 81(1A) of the Companies Act, 1956 and under chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs.88/- per Equity Share (including premium of Rs.86/- per share) aggregating Rs.43,871.85 lacs. The total paid-up Equity Share Capital of the Company stands increased to 179,627,925 Equity Shares of Rs.2/- each aggregating to Rs.3,592.56 lacs.
- 7] With effect from 1st April 2011, the Company has decided to discontinue / minimize sale of its receivables in respect of assets originated by it and instead, using additional capital raised, hold such loans on its balance sheet. Consequently, in the current quarter (and in future) there is no upfront recognition of income arising from securitization / assignment of receivables unlike in the corresponding quarter of the previous year wherein such upfront income was Rs.2,702.80 lacs. Further, to align its accounting policies with this change, income and expense related to origination, hitherto recognized entirely at the time of booking of the loan, will henceforth be amortized over the tenor of the contracts. Consequent to this change, a net expense of Rs.1,158.85 lacs is not charged off in the quarter and is amortized over the tenor of the contracts.
- 8] Mr. Shrawan Kumar Todi, Promoter Director and Vice Chairman of the Company and Mr. Ravi Todi, Promoter Director of the Company, designated as Joint Managing Director, consequent to their resignations, have ceased to be the Directors of the Company w.e.f. 27th May 2011. Pursuant to their resignations and the inter-promoter transfer of their equity shareholdings, the Todi Group ceased to be the promoters of the Company w.e.f. 27th May 2011.
- 9] The Company had provided Rs.170 lacs during the quarter ended 31st March 2011 as Commission to Non-Executive Independent Directors for the financial year ended 31st March 2011 as per the provisions of Section 349 of the Companies Act, 1956. However, the Board of Directors, vide resolution passed on 25th April 2011, have approved payment of Commission of Rs.75 lacs only for the year ended 31st March 2011. Accordingly, the excess provision of Rs.95 lacs has been reversed under the head 'Other Operative & Administrative Expenses' during the current quarter with consequential impact on Profit for the quarter and EPS.
- 10] The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM (US) - 2011 dated 17th January 2011 had issued directions to all NBFCs to make provision of 0.25% against standard assets with immediate effect. Accordingly, the Company has made provision of Rs.288.00 lacs during the quarter. The above provision is treated as Tier II Capital.
- 11] The Company is engaged primarily in the business of financing in India and as such no separate information as per Accounting Standard 17 (Segment Reporting) is required to be furnished.
- 12] Previous year / quarter figures are regrouped / restated, wherever found necessary.
- 13] There was no investor complaint pending as on 30th June 2011. During the quarter, no complaint was received.
- 14] Unaudited Financial Results of Magma Fincorp Limited (Standalone Information):

Particulars	Quarter ended		Year ended
	30th June 2011	30th June 2010	31st March 2011
1. Total Operating Income	21,039.30	17,207.28	84,563.86
2. Profit Before Tax	2,111.80	2,502.80	17,050.10
3. Profit After Tax	1,425.37	1,640.15	11,443.32

Place : Kolkata - 700 016

Dated : 12th July 2011

On behalf of the Board
For Magma Fincorp Limited

Sanjay Chamria

Vice Chairman & Managing Director

Registered Office : Magma House, 24 Park Street, Kolkata - 700 016