



Reaching New Heights in Retail Finance

Table of contents

- Vision

- Business Overview

- Board of Directors

- Financial Highlights

CONTINUING TO TURN DREAMS INTO REALITY



Investing in the smallest dream

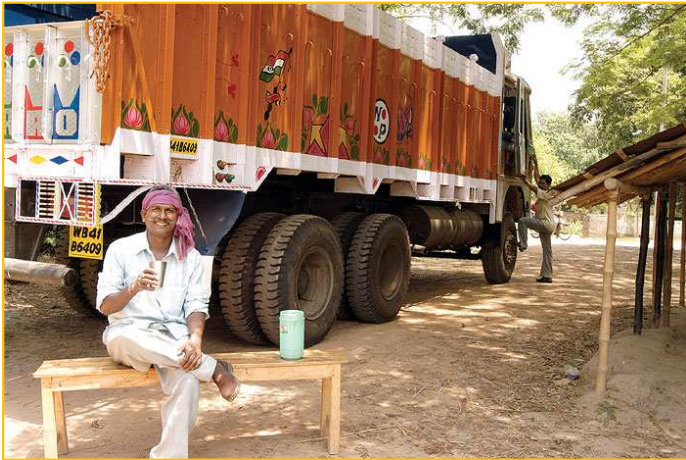
Magma caters to diverse financial needs of small entrepreneurs in rural* and semi rural* markets of India ...where large banks and institutions fail to reach and serve.



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.



... fleet of machines for bigger projects



Passenger Cars and Utility Vehicles

Tailored for our target markets and customers

Used Commercial Vehicles used in smaller areas



Tractors



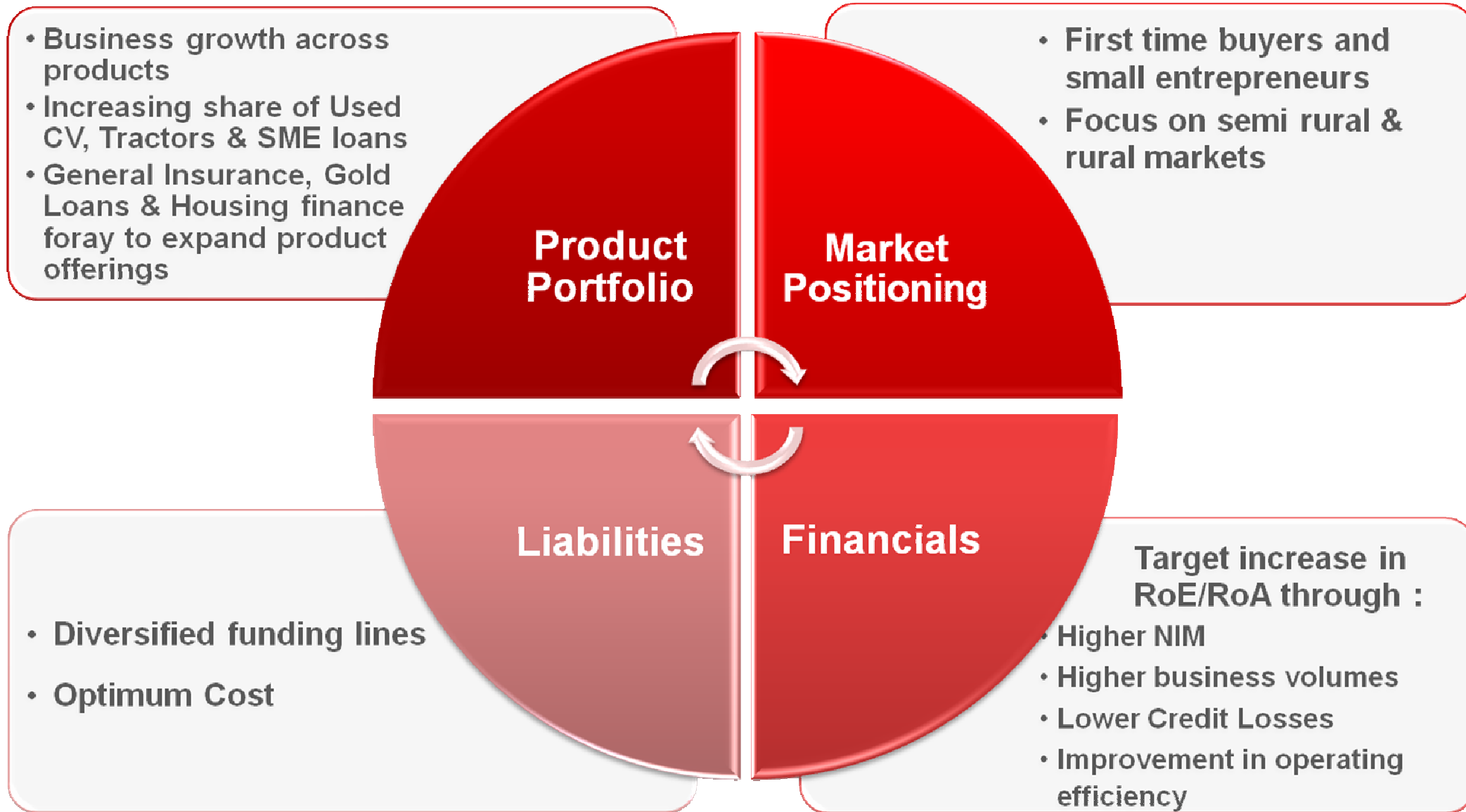
Loans to SMEs for working capital/ expansion



Infrastructure support for Asset Insurance and Credit Covers



Business Strategy



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



Table of contents

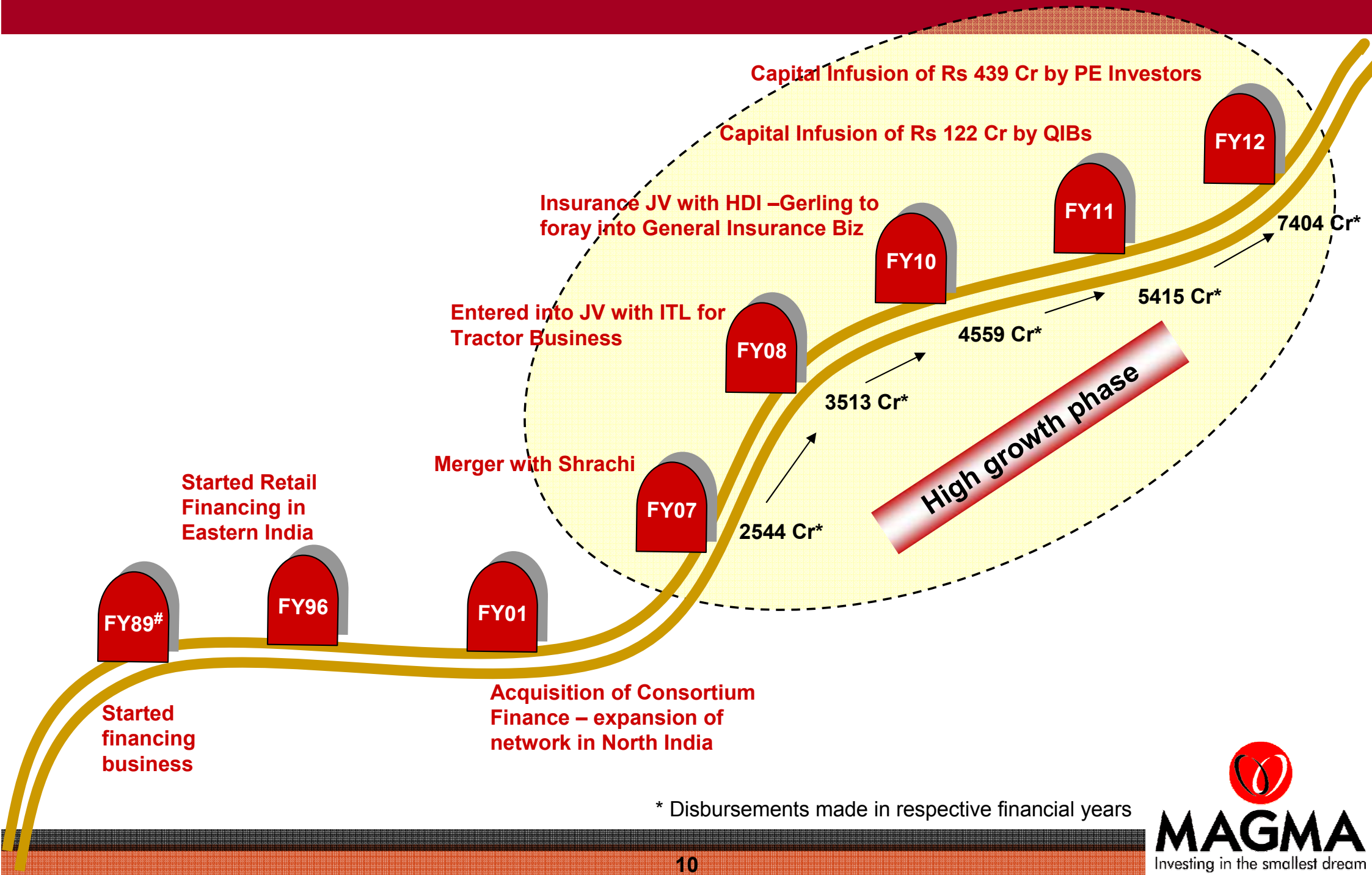
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• Business Overview

• Board of Directors

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Over 2 decades of successful organic and inorganic growth



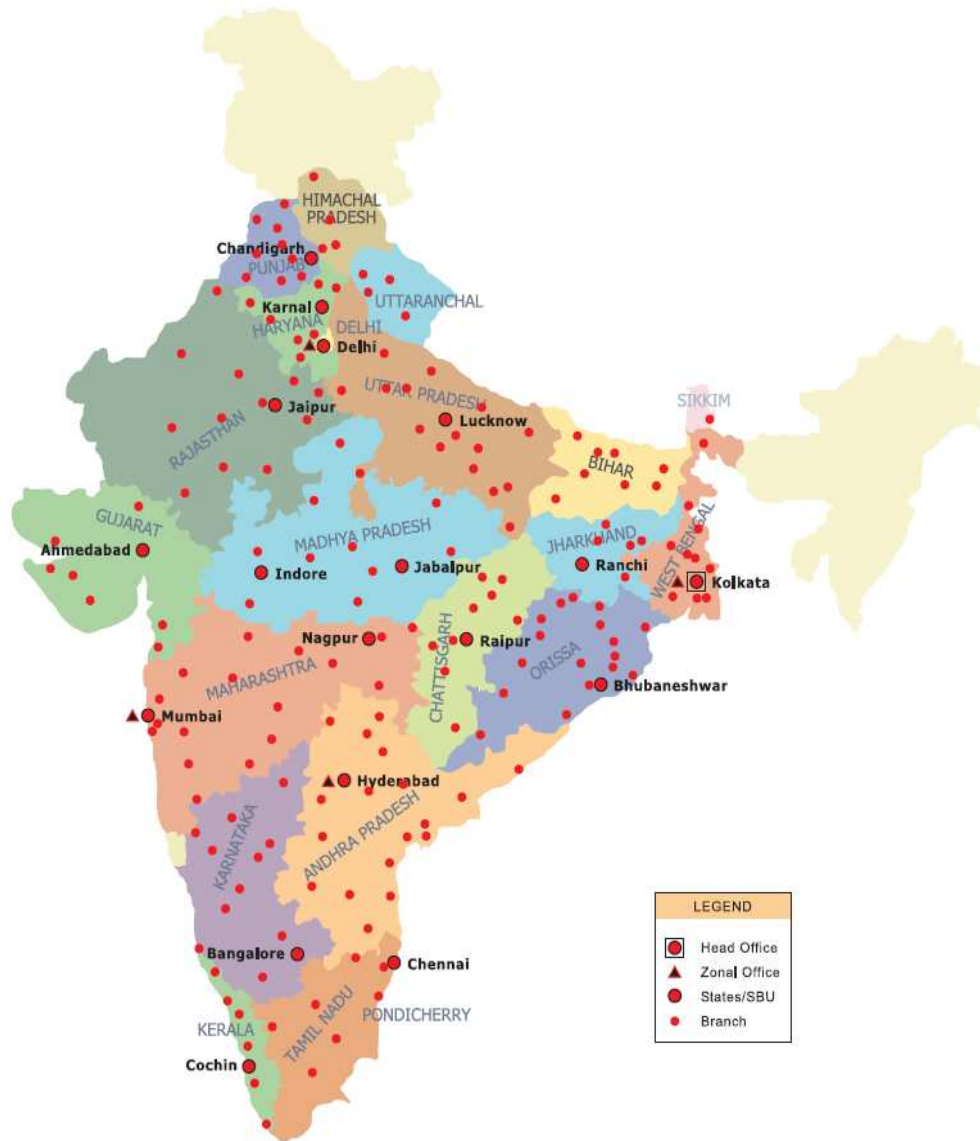
Magma...at a glance

❖ No. of years in financing business	Over 2 decades
❖ No. of customers serviced	Over 6,00,000
❖ No. of branches	200
❖ Disbursements FY12	Rs. 7404 Cr (~ USD 1.40 bn)
❖ AUM March 2012	Rs. 13293 Cr (~ USD 2.52 bn)
❖ Total Income FY12	Rs. 1063 Cr (~ USD 201 mn)
❖ PAT FY12	Rs. 78 Cr [Rs. 155 Cr *]
❖ Interest Spread FY12 Business	4.3%
❖ CAR March 2012	21.2%
❖ RoA FY12	1.1% [2.2% *]
❖ RoE FY12	7.4% [15.9% *]
❖ BV (Rs.)	58.1 [62.1 *]

* 1 USD = 52.79 INR as on 24th Apr 2012

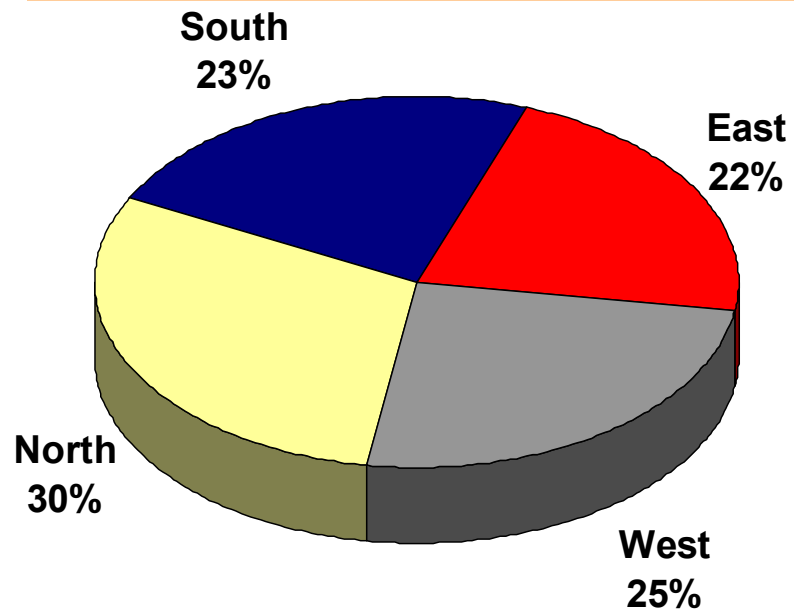
* Pro forma Nos. – refer slide 27

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



18 Strategic Business Units
200# Branch Offices across 21 States / UT
 Covering ~**2800** business clusters
81% Branches in rural*/semi rural* markets
Over 5700 employees including **4780** field officers

Balanced Geographical Mix



Excellent reach in the semi-rural/ rural markets

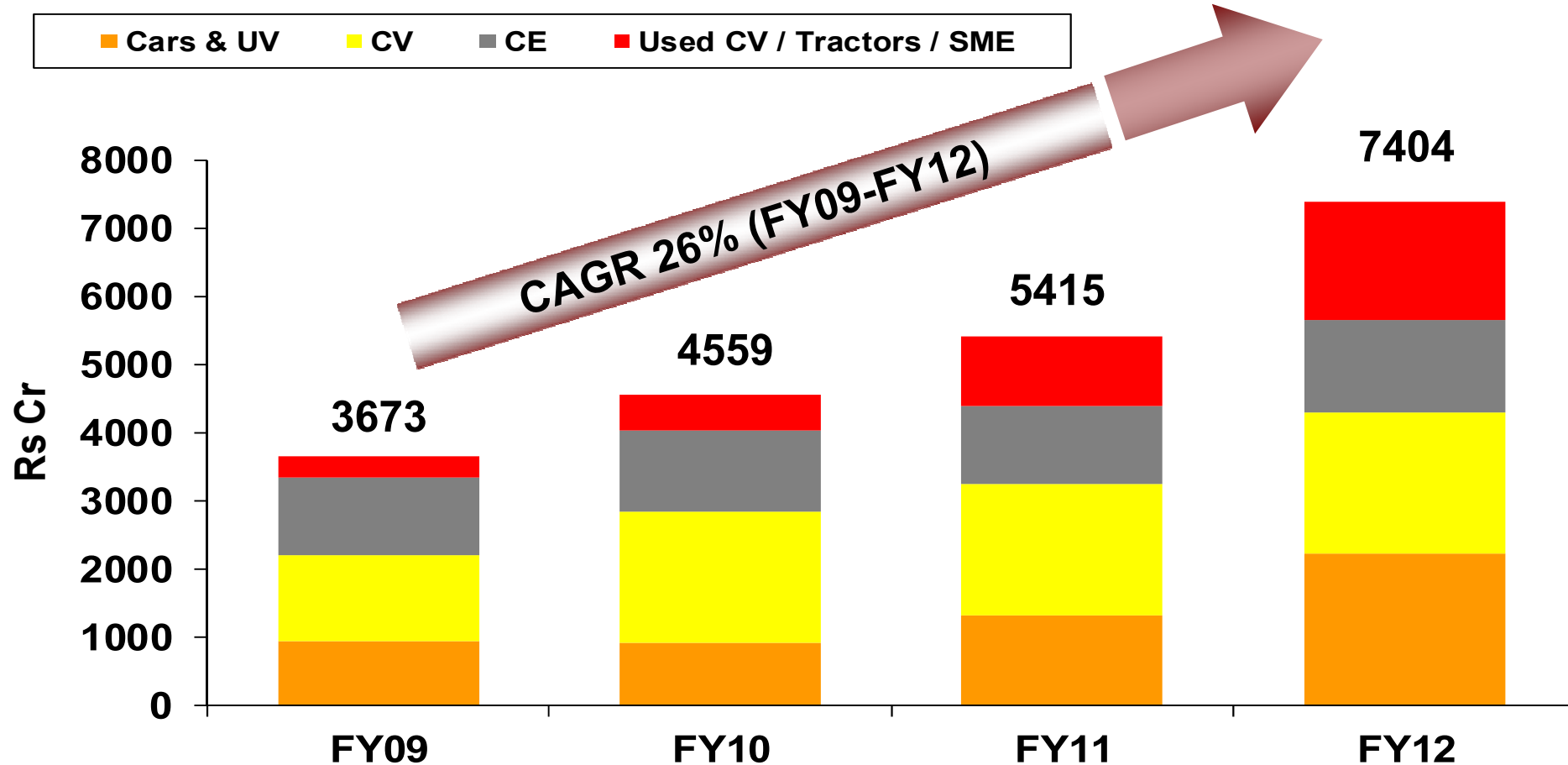
As of Mar 31, 2012 ; * Based on company's market surveys and estimates



FY 12 Highlights

- Disbursements up 37% at Rs. 7404 Cr vs. 5415 Cr in FY11
- Assets Under Management up by 22% at Rs. 13293 Cr vs. 10907 Cr as on Mar11
- Collection Efficiency at 100.5%
- Write-offs at an all time low – 0.20% to the AUM
- Total Income up by 22% at Rs. 1063 Cr vs. 874 Cr in FY11
- Pro forma PAT @ Rs. ~155 Cr an increase of 27% over last year PAT of Rs. 122 Cr

Disbursements on a growth trajectory



❑ History of Successful Product launches and their Growth

❑ Disbursement CAGR FY09-FY12

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

Product Overview...FY12

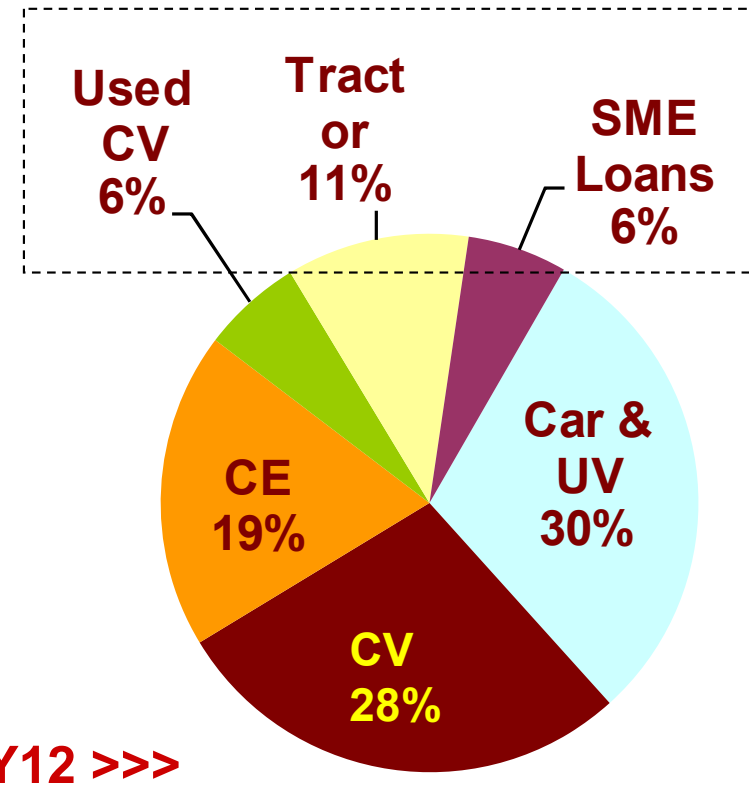
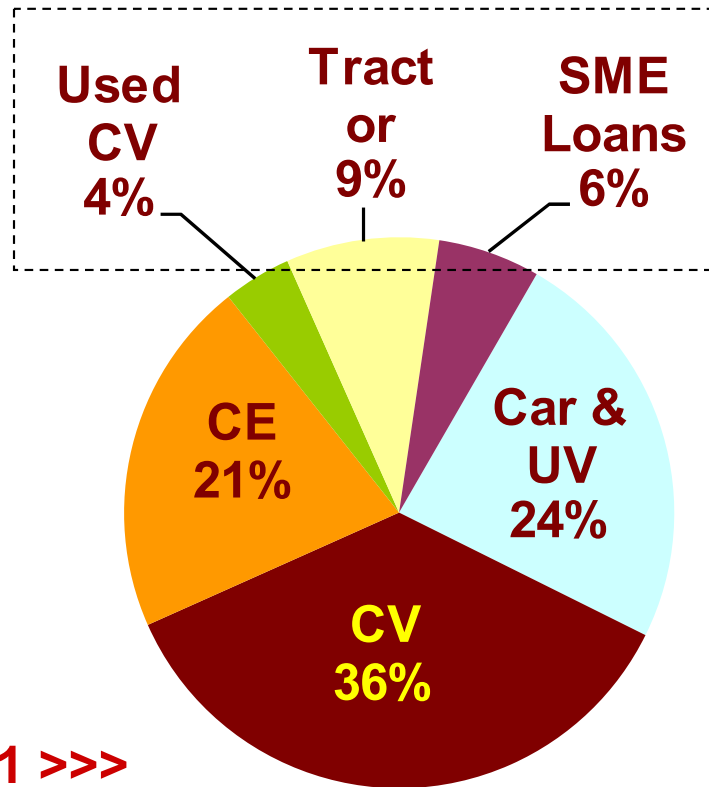
Product	ATS (Rs Lacs)	LTV %	Tenure Months	Net IRR * %
CAR	3.6	66%	43	14.2%
CV	14.8	90%#	43	13.0%
CE	18.3	79%	37	13.5%
Strategic CE	120.3	56%	40	12.8%
Used CV	5.0	72%	34	19.2%
SME Loans	29.1	NA	30	16.7%
Tractors	3.2	62%	46	20.0%
TOTAL	6.3	74%	41	14.8%

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. 75%

* 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 FY12 and current rates may vary.

Disbursement contributions

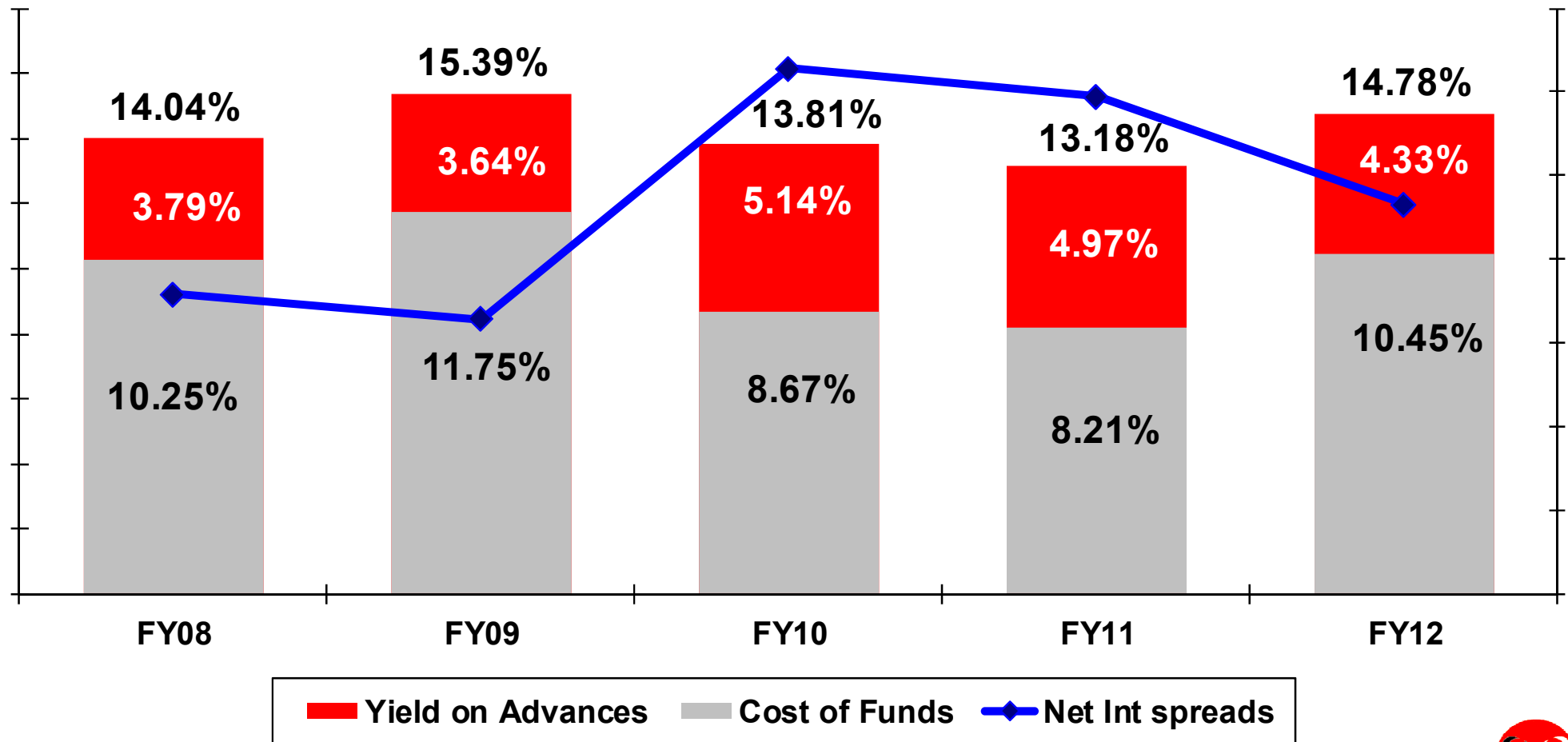


□ Improved Market Share by over 50% across Car/MUV, Tractors & Used CV

- Car/MUV disbursement growth by 70% for FY12 Vs. 5% growth in Industry
- Tractors growth by 76% Vs. 11% for the Industry in FY12
- Used CV has grown by 97% for FY12

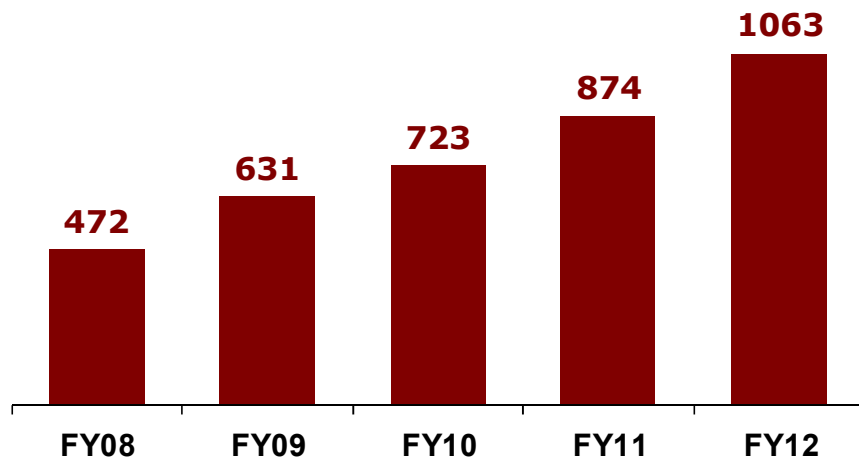
Net Interest Spreads

Yield on Advances & Cost of funds

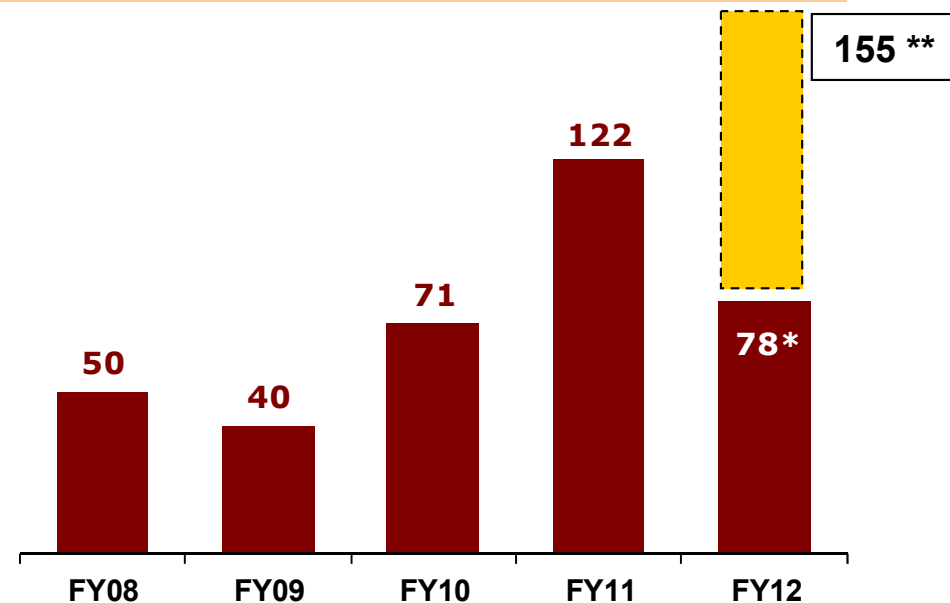


History of growth and profitability

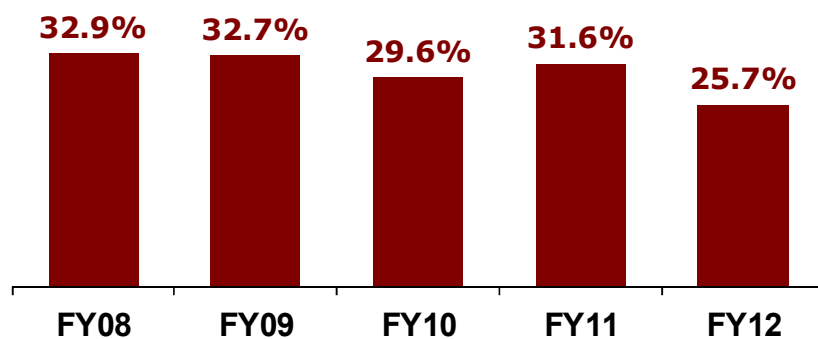
Total Income (Rs Cr)



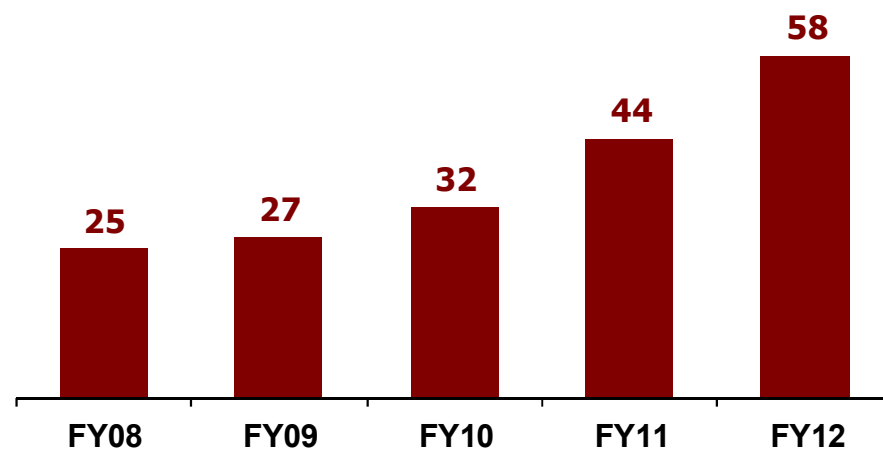
Profit After Tax (Rs Cr)



Operating Efficiency (Costs to Total Income Ratio)



Book Value (Rs.)



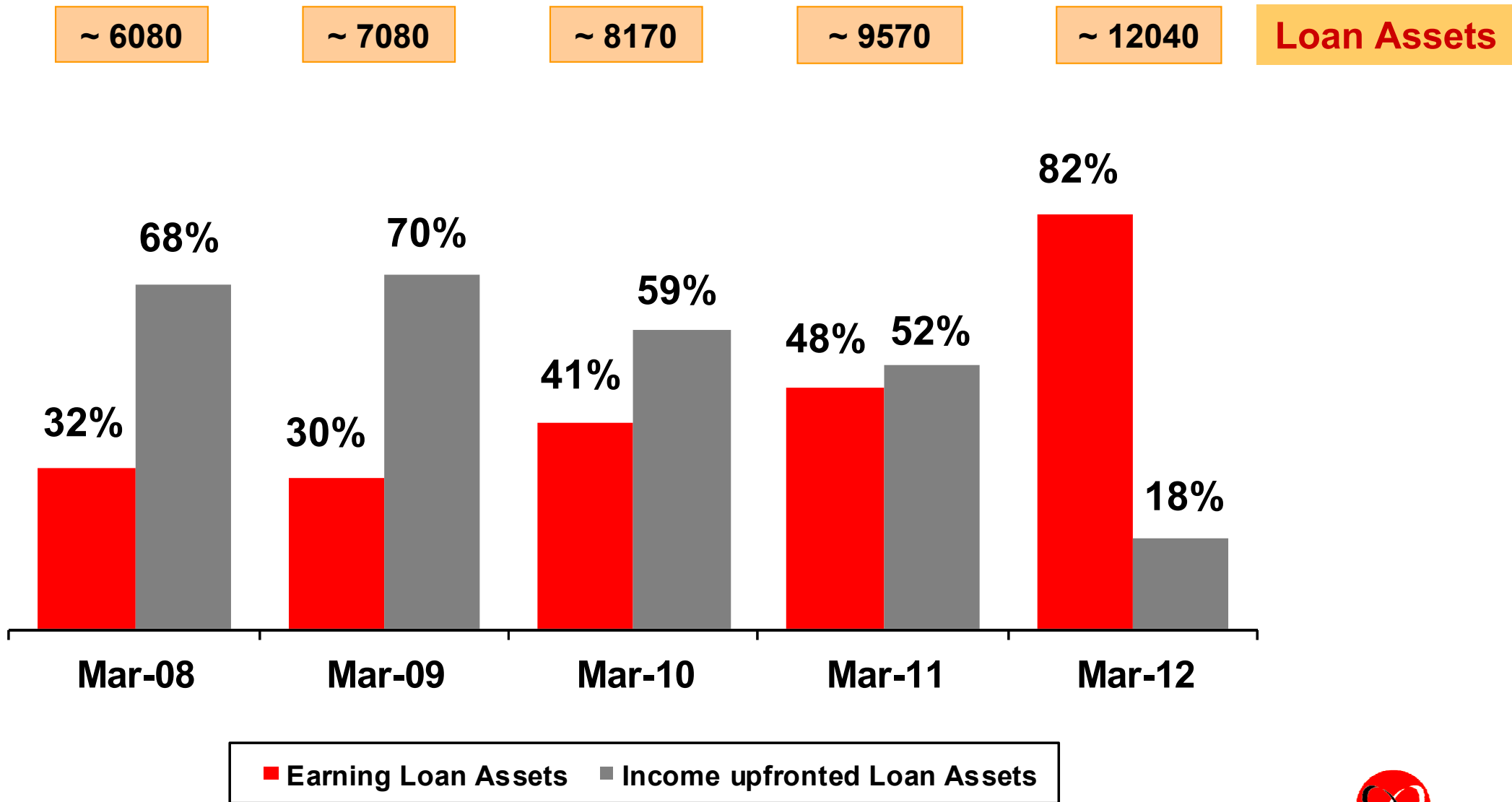
* Impact due to change in the accounting policy in FY12

** Pro forma Nos. – refer slide 27



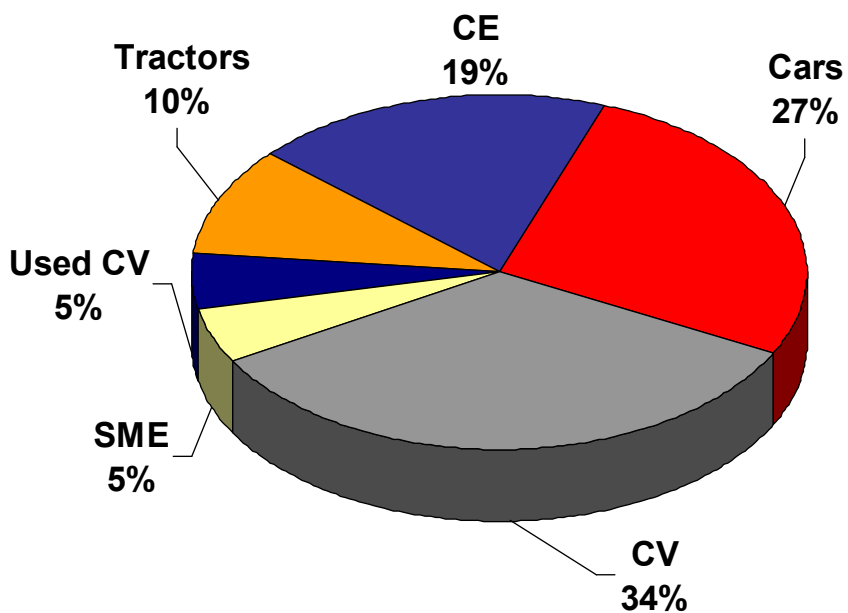
Enhanced Loan book

Amt in Rs. Cr



De-risked business strategy

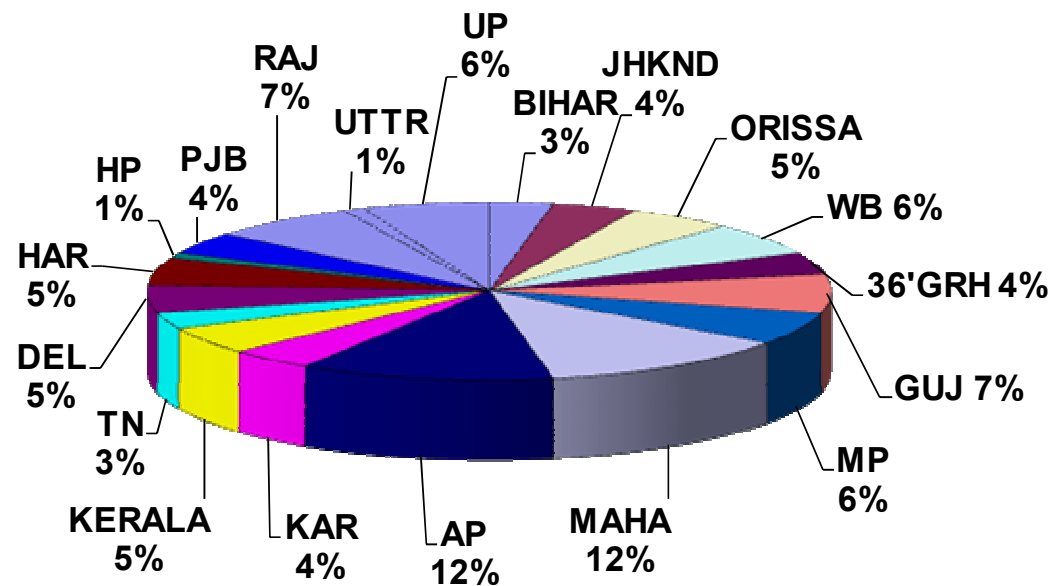
Product Mix - Loan Assets (Mar 12)



Geographical Mix - Loan Assets (Mar 12)

North :
29%

East :
18%



South :
24%

West :
29%

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



Diversified & consistent fund raising capability

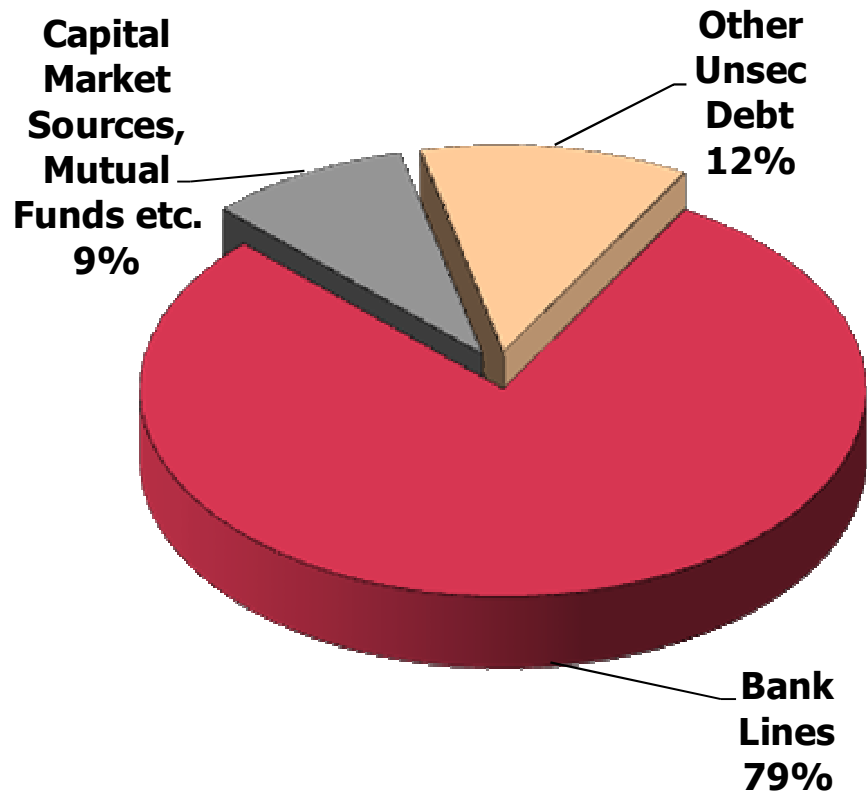
- A consortium of over 20 banks and institutions, including top banks such as PNB, SBI, ICICI etc.
- Diversified funding profile with a wide spectrum of lenders

CRAR (%)	Mar 08	Mar 09	Mar 10	Mar 11	Mar 12
Total	15.3	17.3	14.9	18.2	21.2
<i>Tier 1</i>	8.9	9.2	8.6	11.3	14.1
<i>Tier 2</i>	6.4	8.1	6.3	6.9	7.1

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

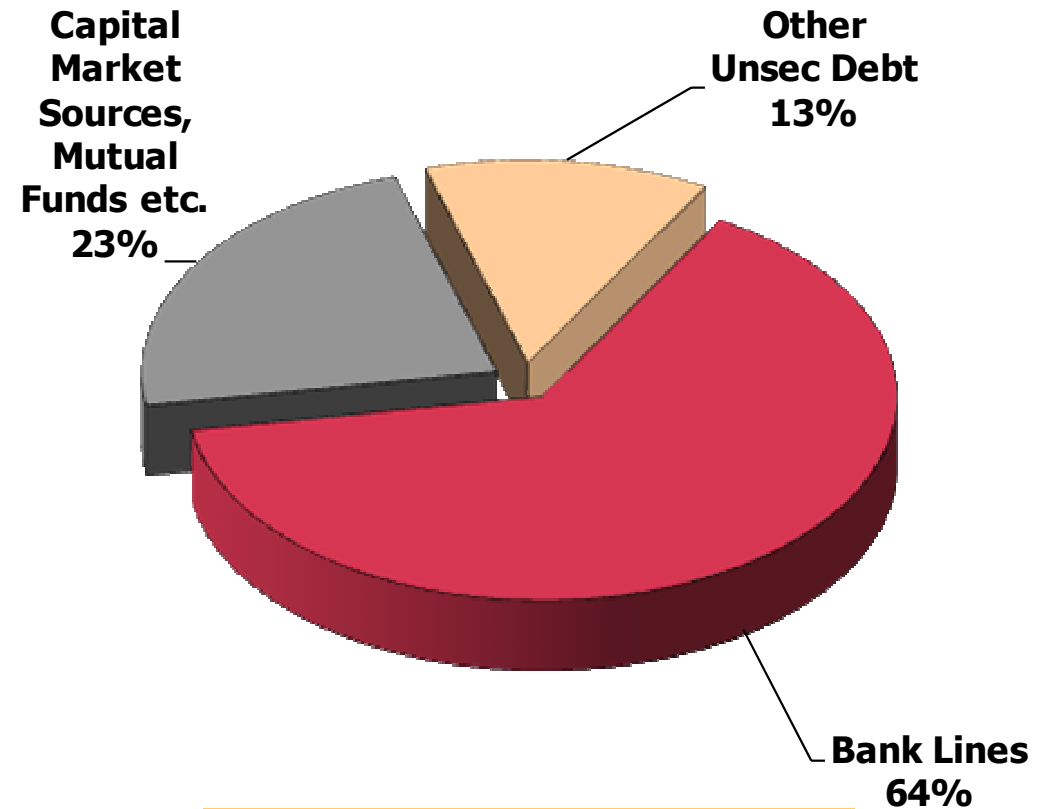
Diversifying Liability Profile

Funding Mix as on 31st March 11



Total Debt – Rs 4739 Cr

Funding Mix as on 31st March 12

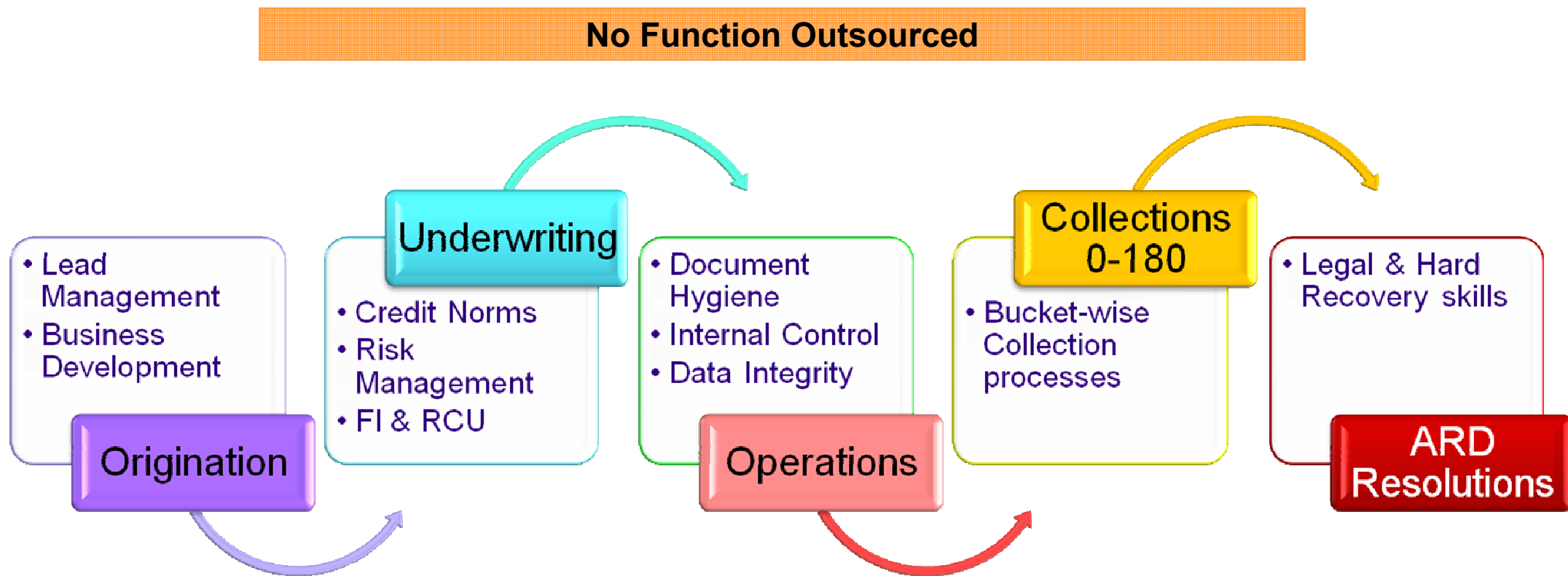


Total Debt – Rs 6259 Cr

Changing Mix of Debt Profile



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

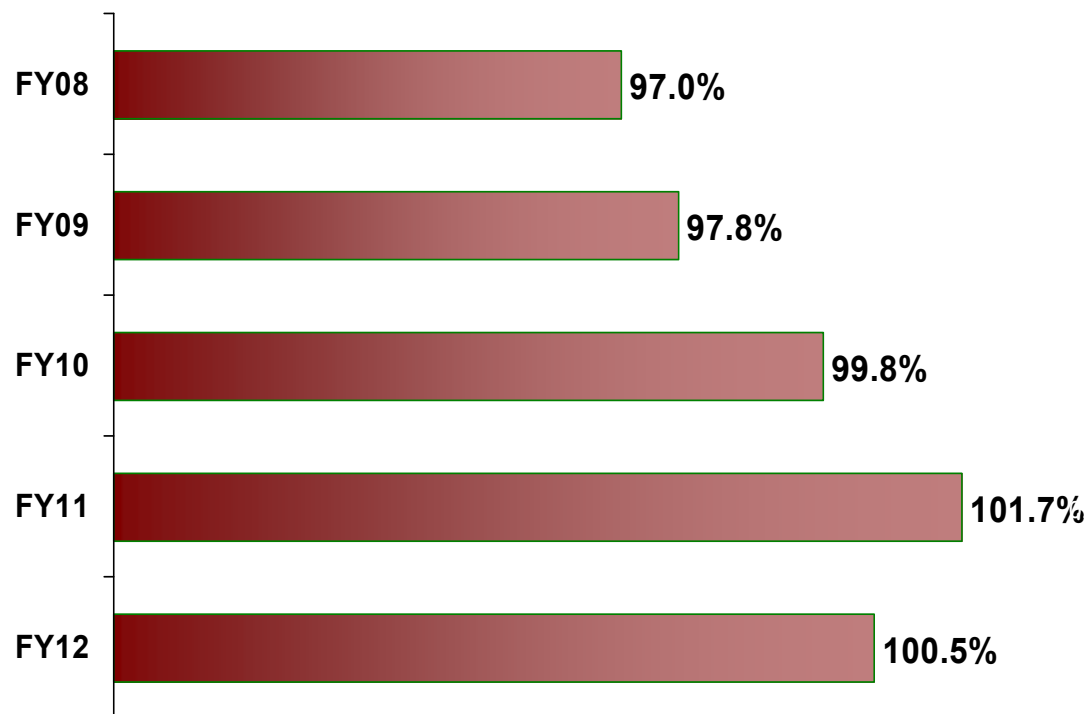
Documentation

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

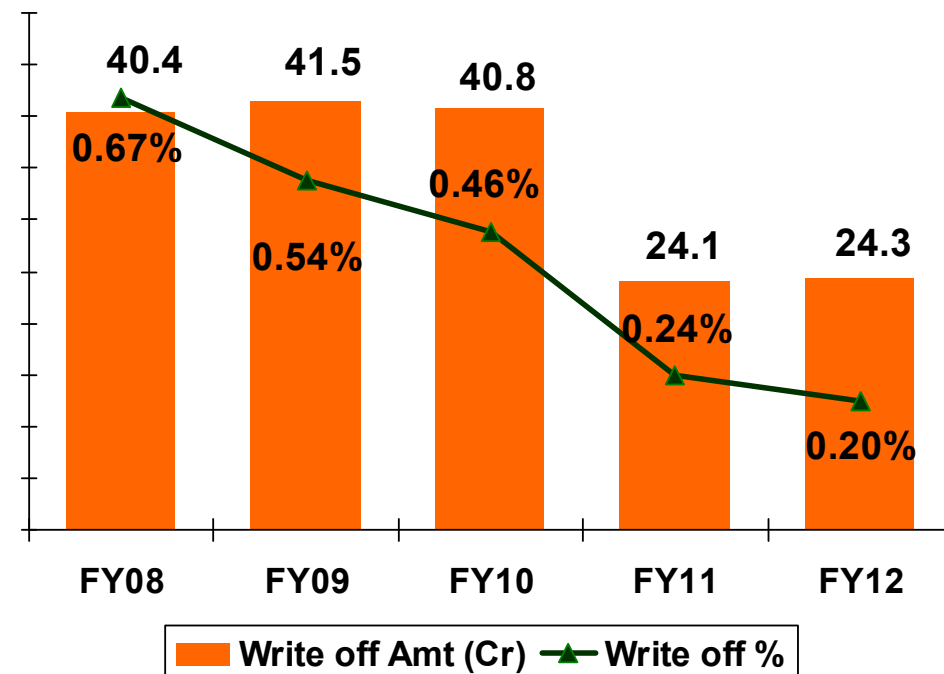


Sustained collection performance

Collection Efficiency* - %



Write-offs to AUM - %



Above write-offs excludes Standard Asset provisions (0.11% of AUM as on Mar11 & 0.13% as on Mar12)

- ❑ While share of Tractor, Used CV & SME loans in loan portfolio has grown from 6% as on Mar09 to 20% as on Mar12, yet Portfolio Quality remains impeccable and write-offs % is at all time low
- ❑ Asset Quality further 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

Spread Analysis

Particulars	FY12	FY11	Proforma FY12 *
Total Income / Assets	14.9%	16.6%	17.9%
Interest Expense / Assets	8.8%	6.7%	9.0%
Gross Spread	6.1%	9.9%	8.9%
Overheads / Assets	4.3%	5.8%	5.3%
Write-offs & Provisions / Assets	0.4%	0.7%	0.4%
Net Spread (pre tax)	1.5%	3.4%	3.1%
RoA	1.1%	2.3%	2.2%

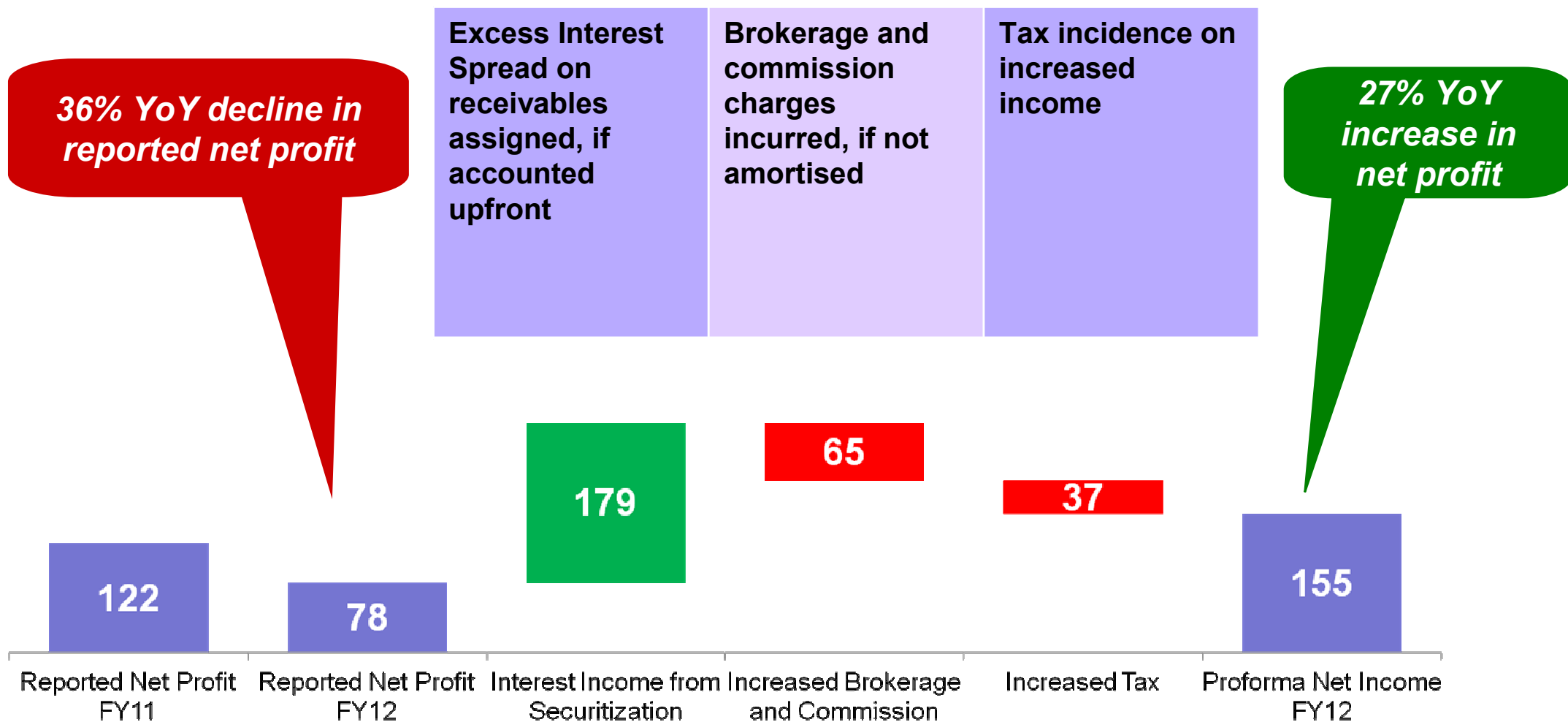
* As per Management estimates

** Figures may not tally fully due to rounding off

Bridge Analysis for Pro Forma Net Profit (FY12) *

Amt in Rs. Cr

Pro forma Net Profit increased 27% as compared to same period previous year. Pro forma calculations adjust for the accounting changes (amortization of income/expenses)



Impact from amortization of securitization income and sourcing expenses

* Management estimates – refer note no. 15 in AFR



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Table of contents

• Vision

• Business Overview

• Board of Directors

• Financial Highlights

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 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

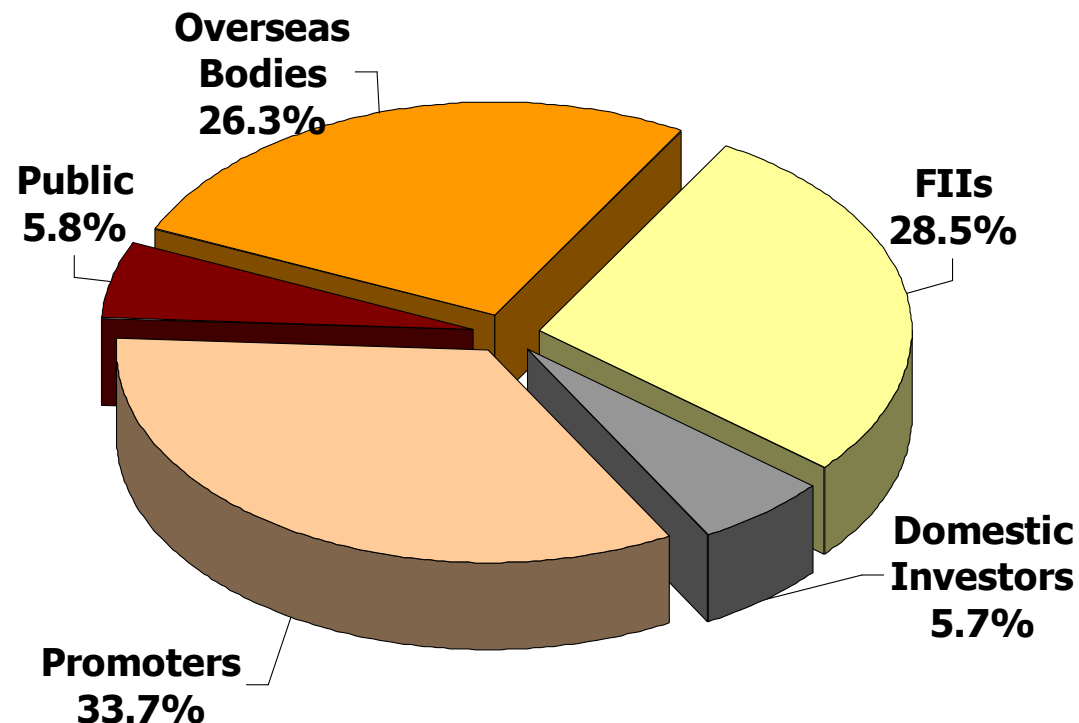
- KKR (Kohlberg Kravis Roberts & Co.)
- IFC, Washington

FII's

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

Domestic Investors

- Sundaram BNP Paribas Mutual Fund
- UTI Mutual Fund



As on Mar 31, 2012

Table of contents

• Vision

• Business Overview

• Board of Directors

• Financial Highlights

TRANSCENDING EXPECTATIONS



Profit and Loss

Rs Cr	Q4 FY12	Q3 FY12	Q4 FY11	FY12	FY11	Proforma FY12 **	Q4 QoQ%	Q4 YoY %	FY YoY %
Disbursements	2509	1915	1955	7404	5415	7404	31%	28%	37%
% age Securitisation				42%	52%	42%			
Income									
- Income from Operations	302.7	273.2	264.4	1031.5	850.7	1210.6	11%	14%	21%
- Other Income	9.0	5.1	5.4	31.5	23.3	31.5	78%	69%	35%
Total Income	311.7	278.2	269.8	1063.0	874.0	1242.0	12%	16%	22%
- Finance Costs	184.2	175.8	95.2	625.4	352.4	625.4	5%	93%	78%
- Employee Benefit Expenses	40.3	34.4	39.7	149.0	134.6	149.0	17%	2%	11%
- Depreciation	10.5	6.3	6.6	29.6	27.9	29.6	67%	59%	6%
- Provision for Standard Assets	-1.0	2.5	11.5	6.4	11.5	6.4	-139%	-109%	-44%
- Brokerage & commmission	12.3	10.8	24.0	37.8	70.1	102.9	14%	-49%	-46%
- Write-offs for bad debts	5.4	6.7	2.5	24.3	24.1	24.3	-20%	119%	1%
- Other Expenses	32.5	21.1	24.4	86.7	71.3	86.7	54%	33%	21%
PBT	27.5	20.6	66.0	103.7	182.2	217.7	34%	-58%	-43%
Tax (incl. Deferred Tax)	2.1	6.7	21.0	25.9	60.1	62.9	-69%	-90%	-57%
PAT	25.5	13.9	45.0	77.8	122.2	154.8	84%	-43%	-36%
Return to Shareholders	20.9	9.6	40.1	61.7	109.0	138.8	118%	-48%	-43%
EPS	1.10	0.51	3.09	3.56	8.38	7.10	116%	-64%	-58%
BV	58.1	57.7	44.1	58.1	44.1	62.1	1%	32%	32%
Return on Avg. Assets	1.2%	0.7%	3.2%	1.1%	2.3%	2.2%			
Return on Net Worth	7.6%	3.6%	28.6%	7.4%	23.6%	15.9%			

* Figures may not tally fully due to rounding off

** Management estimates – refer note no. 15 in AFR



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Balance Sheet

Rs Crores	Yr ended Mar12	Yr ended Mar11
Shareholder Funds		
- Equity capital	38.0	26.0
- Preference Capital	142.7	146.9
- Reserves & Surplus	1063.6	558.8
Minority Interest	18.8	9.8
Non Current Liabilities	2165.3	1148.7
Current Liabilities	4759.7	4171.8
Total Liabilities	8188.0	6061.9
Non Current Assets		
- Fixed assets	178.8	188.5
- Non Current Investments	0.0	11.4
- Other Non Current Assets/ Long term Loans & Advances	4315.4	3094.3
Current Assets		
- Cash & Bank balances	810.1	859.4
- Other Current Assets/ Short term Loans & Advances etc.	2883.7	1908.3
Total Assets	8188.0	6061.9

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

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.