

Magma Fincorp Q1FY21 AUM at Rs 15,922 Cr, PAT at Rs 38 Cr vs Rs 11 Cr YoY

Mumbai, 8 June 2020: Mumbai-based asset finance company, Magma Fincorp Limited today announced results for Q1FY21. The assets under management (AUM) was flat at Rs 15,922 crore QoQ, on the back of the pandemic induced lockdown in the country during the quarter. The company posted profit after tax (PAT) of Rs 38 Crore vs Rs 11 Crore YoY.

The number of customers opting for moratorium 2.0 reduced to 45% in June 2020 and further to 40% in July 2020. The Company has taken a calibrated approach towards extending the second moratorium to its customers, after assessing customers' cash flows etc.

The company continued its focus on strengthening the balance sheet through superior management of collections, control on operating expenses and building strong provision buffers. The Company increased the additional provisions under the lockdown induced moratorium situation to Rs 148 Crore i.e., 0.9% of the AUM. Net NPAs have shown improvement to 3.7% vs 4.2% QoQ.

The company exited June 2020 with a comfortable liquidity of over Rs 1,790 crore. The company hasn't opted for any moratorium from its lenders. The on-ground situation is gradually returning to normal with 94% of our branches now fully operational, and nearly 95% of employees are working in nearly a 'Business as Usual' environment.

Vehicle Finance Business: The vehicle finance business portfolio is being reshaped by increasing the contribution of focus products and customer segments. The contribution to AUM of Used Assets increased to 25% in Q1FY21 vs 20% YoY.

SME Finance Business: Deploying the best of fintech capabilities, the SME business digitally accessed and disbursed 1500 loans to SMEs amounting to Rs 43 Crore with an end to end paperless and seamless process under the ECLGS (Emergency Credit Line Guarantee Scheme). The SME Business took long strides in working with the Ministry of MSME, SIDBI and NCTGC to give a fillip to the initiative of ECLGS under GOI's "Atmanirbhar Bharat" scheme.

Magma Housing Finance (MHF): The 100% affordable housing finance subsidiary had a strong Q1FY21. MHF recorded PAT of Rs 7.2 Crore against Rs 9.6 Crore in the same quarter last year. Women borrowers constitute 96% of the total loan originations, and 72% of loans have been disbursed in Tier 2 and Tier 3 towns.

Magma HDI General Insurance: The Company delivered PAT of Rs 10.5 Crore with a Gross Written Premium of Rs 240 Crore. Traction in Health business has been the highlight of the quarter. The investments in technology ensured that while working from home as an organization, more than 3000 intermediaries used our platform to issue policies and the touchless claim settlement increased from 13% in Q4FY20 to 49% in the this quarter.



Commenting on Magma Fincorp's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "During these unprecedented times, Magma has taken a cautious approach and recommenced disbursements with tightened underwriting norms and focus on existing customers. To survive, revive and thrive, the company's strategy for FY21 will be to focus on strengthening the balance sheet through superior management of collections, control on operating expenses and building strong provision buffers."

About Magma Fincorp Limited

Magma Fincorp Limited ("Magma") a Mumbai-based non-deposit taking non-banking finance company (NBFC), is registered with the Reserve Bank of India (RBI) as an Asset Finance Company. The Company started operations nearly three decades back and is listed on the Bombay Stock Exchange Limited and the National Stock Exchange in India.

Magma a financial conglomerate offers a bouquet of financial products including commercial finance, agri finance, SME finance, mortgage finance and general insurance. Magma is focused on the rural and semi-urban sector with a widespread coverage and presence across 21 States 316 Branches. Magma's customer base has crossed 4 million and manages a loan book of Rs 15,922 cr.

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