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18 June 2020

Corporate Relationship Department
BSE Limited
25th Floor, P.J. Towers, Dalal Street, Fort,
Mumbai – 400 001

Company Code - 524000

The Manager
Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”
Bandra- Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol - MAGMA

Sub: Investors/Analysts’ Presentation

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir,

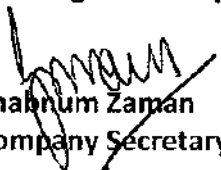
Pursuant to Regulation 30 of the Listing Regulations we are enclosing herewith the presentation to be made to the Investors/Analysts on the Audited Financial Results of the Company for the fourth quarter and financial year ended 31 March 2020.

The presentation is also being uploaded on the website of the Company at the URL <https://magma.co.in/about-us/investor-relations/financial-results/investor-presentation/> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the same on record

Thanking you,

**Yours faithfully,
For Magma Fincorp Limited**


**Shahnum Zaman
Company Secretary**

Encl:as above

TOWARDS A ROBUST, SUSTAINABLE AND PROFITABLE GROWTH

Magma Fincorp Limited

Investor Presentation – Q4 & FY20



MAGMA

Investing in the smallest dream



- 1 Company Overview
- 2 Financial Performance – Q4 & FY20
- 3 Business Strategy
- 4 Business enablers to drive sustainable growth
- 5 Leadership Team & Shareholding Structure
- 6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

COMPANY OVERVIEW



Quick Snapshot



Company into 32nd year of retail Financing business

Strong management team with extensive industry experience



AUM¹ - ₹ 16,134 Crore
Evenly spread across India

North 37%, East 20%
West 18%, South 25%



Diversified product portfolio

Asset-backed finance (Cars, CV, CE, Used Assets, Agri Finance), SME Finance, Affordable Housing Finance and General Insurance



Strong technology platform systems & processes

Robust risk management framework



~ 3 Million customers serviced since inception

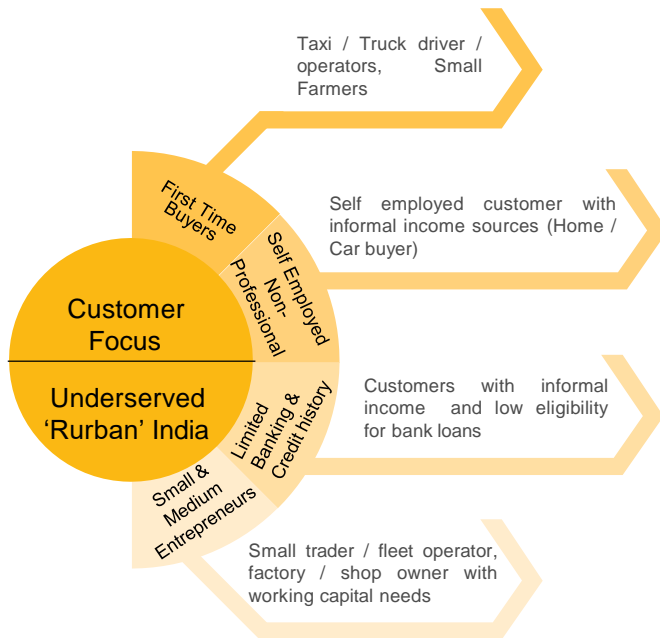
> 2 Million Active customer



Pan India presence across 21 States

Provide Financing Solutions to Underbanked Customers in 'Rurban' India

Recognised and
Trusted Brand in
'Rurban' India



Core strengths-
Widespread presence, deep 'Rurban' insight, robust technology for faster customer acquisition, loan servicing and effective cross-sell

Rurban includes Rural and Semi-Urban locations

Focus on Higher Cross-Selling of Products for Deep Customer Engagement

	Customer Segments				Illustrative Asset Profile ¹		
	First Time Buyers	Self Employed Non Professionals	Small & Medium Entrepreneurs	Limited banking / credit history	Average Ticket Size (Rs lakh)	Average Loan to Value Ratio	Average Tenure (months)
ABF: Commercial Finance ²	●	●	●	●	4-6	75-80%	40-45
ABF: Agri Finance ³	●	●		●	3-4	65-70%	45-50
SME Finance ⁴		●	●	●	17-20	NA	30-35
AHF: Affordable Housing Finance ⁵	●	●	●	●	9-13	50-60%	150-180
General Insurance	●	●	●	●			

1. Numbers indicative of disbursements done during FY20

2. Commercial Finance includes trucks, construction equipment, cars, auto lease

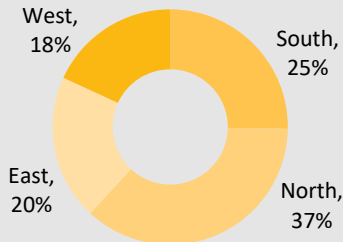
3. Agri Finance includes Tractors

4. SME Finance includes Unsecured Loans to Business Enterprises

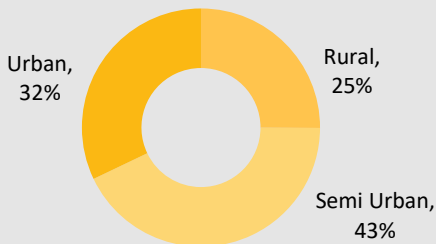
5. Affordable Housing Finance includes Home Loans and Loan against property

Well diversified portfolio across segment & geography

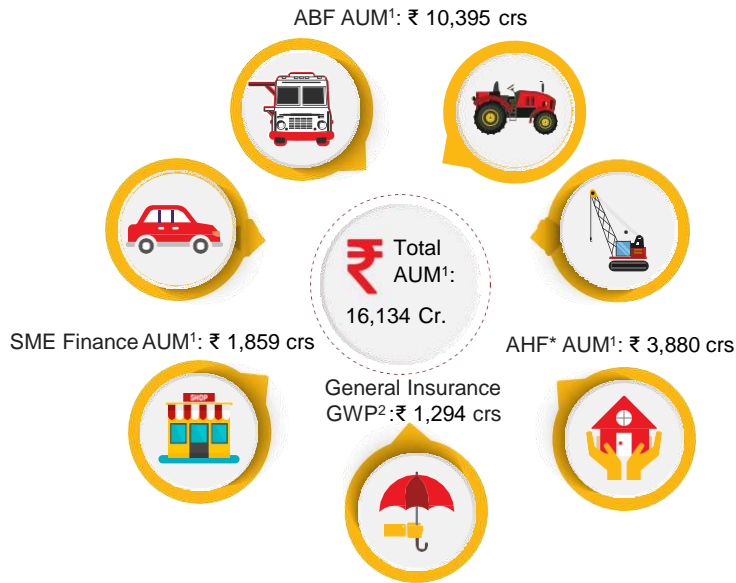
Zone-wise Breakup



Rural-Urban Breakup



Diverse Product Offerings



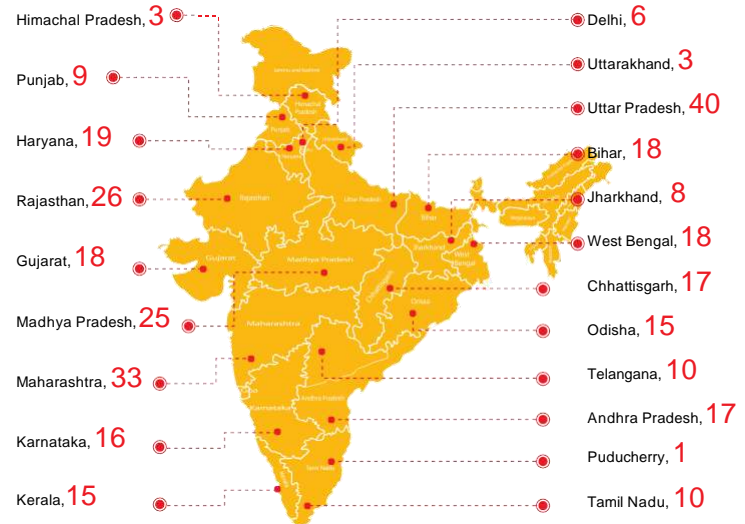
Extensive Pan India Network

Asset Light Branch Network

- ✓ Wide retail presence through hub and spoke model
- ✓ Digital footprint enables Field Executives to conduct business from channel/customer locations, leading to better sales productivity, deepens market coverage and improves channel and customer experience
- ✓ Strong customer engagement through large team of Field Executives
- ✓ Toll free Inbound/Outbound Customer Call Centre for servicing and cross sell

327 Branches as on 31st March, 2020

Wide retail presence through hub and spoke model



Magma Culture Code




INTEGRITY
Do the right thing



COLLABORATION
Invite ideas and inspiration
from all



RESPECT
Treat people
equally

A photograph showing a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each shorter than the one to its left, creating a descending staircase effect. The background is blurred, showing a person in a blue shirt.

Financial Performance – Q4 & FY20

External Environment stressed by liquidity and growth issues, further impacted by COVID-19

- Liquidity crisis in financial services sector since Sep-18 resulted in broader economic slowdown impacting all sections of economy, however government interventions improved the liquidity scenario in Q3FY20.
- Unprecedented prolonged lockdown in times of COVID-19 impacted entire world economy; India's GDP is estimated to contract 3.2%-5% in FY21.
- Lock down has severely impacted MSME segment, barring few sectors like Health care, FMCG, Allied Agri etc.
- Surge in unemployment numbers, leading to uncertainty of income, will slowdown consumption.
- Restart of economic activity after a prolonged lockdown, under fear of COVID-19, is very challenging.
- Government schemes to recuperate Indian economy, under 'Atmanirbhar Bharat', Liquidity measures to MSME like ECLGS, Sub-debt for Stressed MSMEs, Equity Infusion via fund, etc. should provide help to resume march to normalcy.
- Prolonged disruption – started with the liquidity crisis, transcended into confidence crisis and now the Covid-19 crisis – has led **NBFCs / HFCs to sacrifice growth, prune balance sheets and become asset light.**

Executive Summary - Living in times of Covid-19

Our Strategy

- A robust Business Continuity Plan as a response to COVID-19 addressing financial planning, business strategy realignment, employee productivity re-focus, IT enablement and renewed customer engagement.
- Focus on capital preservation, collections, stringent operating expenses management and strengthening Balance Sheet.
- Company has a healthy capital adequacy, strong liquidity position, a well diversified retail portfolio with excellent geographic distribution and 97% of receivables are either secured by collateral or have a sovereign guarantee cover.

Business & Liquidity Management

- First the economic downturn and then the COVID-19 impact led to FY20 disbursement decrease by 27%. Decrease in AUM by 5% YoY to ₹16,134 crs.
- Continued with change in Product mix towards focus products. Contribution of focus products in AUM increase to 60% (PY 51%). Contribution of safest asset class, Affordable Housing Finance, increases to 24% (PY 19%).
- Amidst Covid-19, taken a cautious stance on new business, tightened underwriting norms. Currently open for business in 305 locations (as on 12-Jun-20).
- Company exited March 2020 with a comfortable liquidity of over ₹1,500 crs.
- Offered the option of moratorium to all customers. Have not availed moratorium on any borrowing. In spite of this, have comfortable Liquidity of over ₹1,600 Crore as on 31st May 2020.

Executive Summary - Living in times of Covid-19

Customer engagement

- Supported MSME and Affordable Housing Customers during lockdown with various government benefits such as Interest subvention, PMAY scheme etc.
- Undertaken Customer survey covering over 75% customers during April & May, to understand customers' liquidity, business impact and support they need.

Employee engagement

- Enabled Employees to Work From Home, providing adequate protection in times of COVID-19.
- By mid June 2020, ~95% of employees are working in nearly 'Business as Usual' environment
- Ensuring Employee welfare – A very active health support desk and medical emergency helpline etc. for employees and their families.

Moratorium & COVID-19 Provisioning

- Moratorium 1.0 - ABF ~84%, AHF ~53% and SME ~56% customers opted for moratorium.
- Additional one-time COVID-19 provision amounting to ₹117 crore in Q4. Provision @0.9% on ABF AUM, @0.4% on AHF AUM and @0.3% on SME portfolio.
- Focus on collections with additional rigour on customers availing moratorium.

Executive Summary - Living in times of Covid-19

Opex Management

- Stringent control over operating expenses with Go Direct and Go Digital policy
- Digital platform supporting end-to-end customer lifecycle implemented in FY20, increasing productivity and reducing cost
- Initiated cost rationalisation journey in FY20, leading to absolute reduction in operating expense YoY

Profitability and Balance Sheet strength

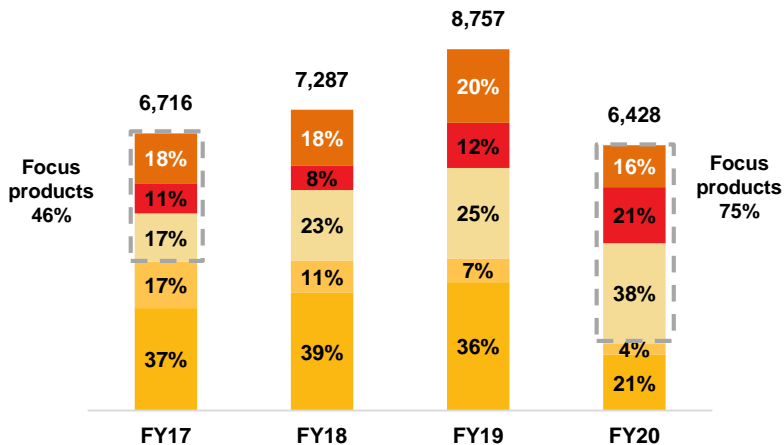
- Operating profit before COVID provision at ₹199 crore in a very challenging year; After COVID-19 provision, PBT stood at ₹83 crore
- Standard asset provisioning increased to 2.2% from 2.0% in previous year
- Healthy PCR of 36.5%
- Strong Capital adequacy at 25.9%

Priorities for FY21

- Focus on Collections and improvement in Asset Quality
- Continued reduction in operating expense
- Improve NIMs, by change in product mix and reduction in Cost of Funds.
- Maintain adequate liquidity and protect capital.

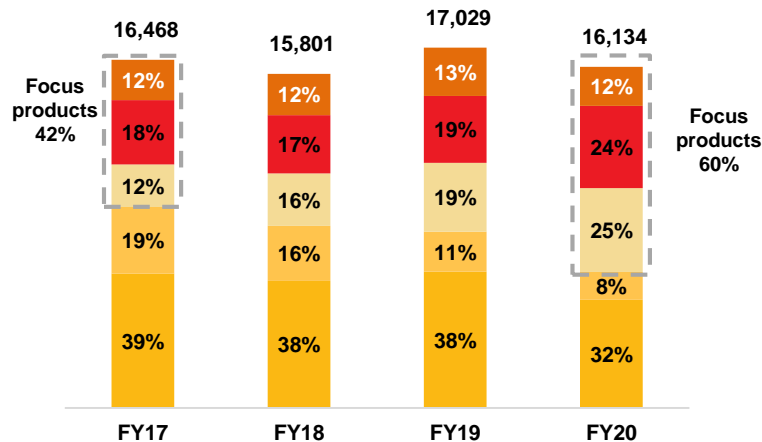
Disbursal momentum of previous 3 years impacted due to Liquidity Crisis and COVID-19

Disbursement



- Cars / CV / CE
- Agri
- Used Assets
- Affordable Housing
- SME & Others

AUM



- Cars / CV / CE
- Agri
- Used Assets
- Affordable Housing
- SME & Others

Business enabler for sustained growth – Technology

Digital

LOS: End-to-End Digital Loan Processing powered by engines for real-time decisioning, API driven ecosystem engagement with FinTechs, automated workflows, rules for multi-bureau analysis, analytical scorecards, digital NACH and eSign

BYOD: Empowered Field-force with Bring-Your-Own-Device to securely access corporate applications using personal mobile devices

Digital Collections: Over 75% of monthly collections via digital modes of NACH, PDC, RTGS, UPI, Net Banking, Debit Cards, Google Pay, PhonePe and PayTM



Operational Efficiency



Lead-To-Disbursal TAT reduction powered by Digital Workflows, STP and automated checkers

Robotic Process Automation for delivering scale to recon activities in back-office functions

Data Analytics



Credit Rule Engine: 2/3rd of credit underwriting is Straight-Through-Processed and digital Approved

Data Marts: for Risk Analytics, Cross Sell and Financial Analytics

Customer Engagement



CRM: Omni-channel 360 degree view of Customer across various mediums of engagements such as Branch OTC, SMS, Email, Call Centre, WhatsApp, Facebook, LinkedIn and Twitter

WhatsApp Chatbot: launched for Customer-service and Channel-engagement; Website ChatBot launched for facilitating dialog on moratorium

Digital document delivery: Achieved across 11 vernacular languages to customers

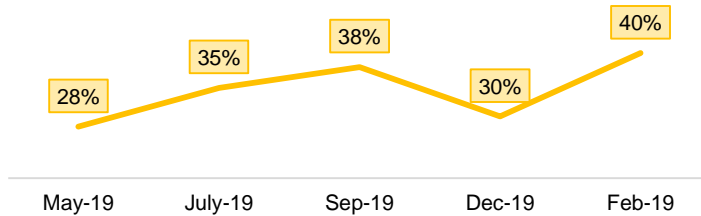
Security



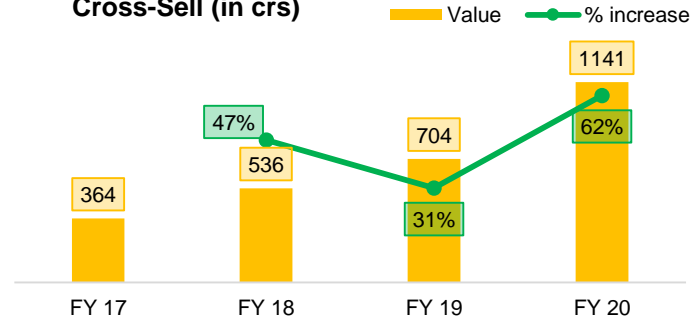
Work-From-Home enabled through secured infrastructure encompassing **hardened laptops, Firewalls, Virtual Private Network, Mobile Device Management** and **24x7 Security Operations Center**

Business enabler for sustained growth – Customer Service

Magma NPS

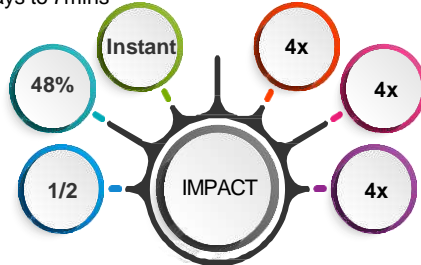


Cross-Sell (in crs)



Servicing TAT
7days to 7mins

Customer Interactions
10K to 40K



Net Promoters Score
28% to 48%

Leads
3K to 12K

Call Handling Time
8mins to 4mins

Disbursal per month
35 crs to 150 crs

Key Initiatives :

- Significant Tat reduction through automated STP (Straight Through Processing) initiatives
- Best in class Net promoter scores (NPS) in Asset finance business
- Analytics driven customized cross-sell product offers for customers
- Servicing customers in 11 regional languages

Key Financial Metrics

Parameter	FY19	FY20 Before COVID	FY20 After COVID
AUM	₹ 17,029 crs	₹ 16,134 crs	₹ 16,134 crs
Disbursement	₹ 8,757 crs	₹ 6,428 crs	₹ 6,428 crs
NIM	8.4%	7.7%	7.7%
Opex Ratio [#]	4.1%	4.1%	4.1%
NCL [#]	1.5%	2.4%	3.1%
Net NPA	3.1%	4.2%	4.2%
Profit Before Tax	₹ 442 crs	₹ 199 crs	₹ 83 crs
CRAR	24.9%	25.9%	25.9%

[#] Premium paid under Credit Guarantee scheme clubbed with NCL.

Moratorium Impact

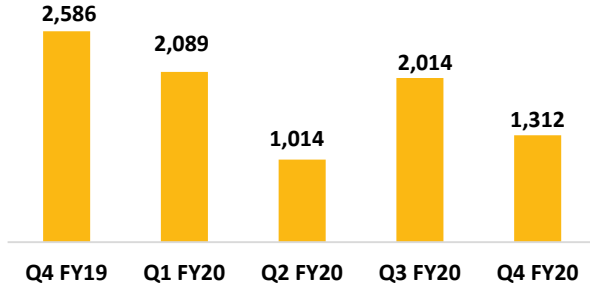
Segment	AUM as of 31 March 2020	% of AUM under Moratorium (May exit)	Collection Efficiency (Apr-20)	Collection Efficiency (May-20)	COVID-19 Provision amount	COVID-19 Provision as % of AUM
ABF	10,395	84%	94.6%	136.1%	96	0.9%
AHF	3,880	53%	95.0%	92.1%	15	0.4%
SME & Others	1,859	56%	92.4%	92.3%	6	0.3%
Total	16,134	73%	93.9%	112.2%	117	0.7%

Note:

1. Customers availing moratorium (by value) for March-20 was 26% and for April was 64%.
2. MTD Collections as on 16-Jun-20 is ~81% of Mar-20 MTD Collections, assuming 100% billing (ABF: 86%; AHF: 74% & SME: 73%)

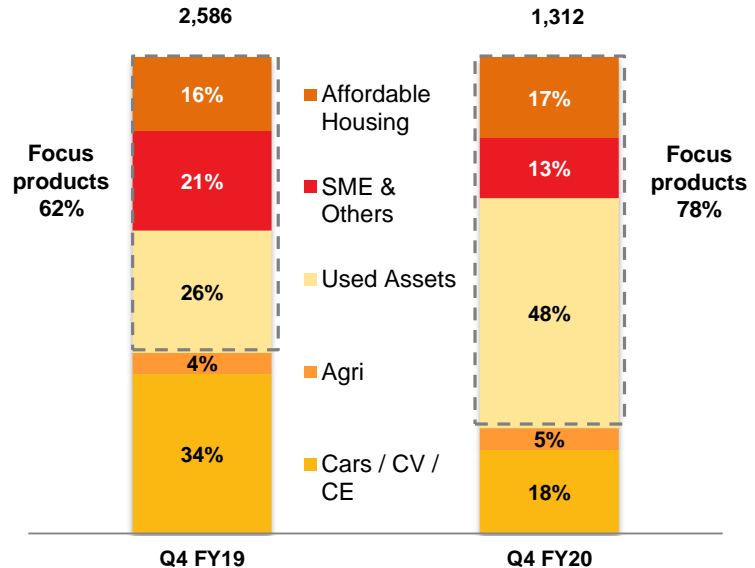
Disbursal - Product mix moving towards focus products

QoQ Disbursement

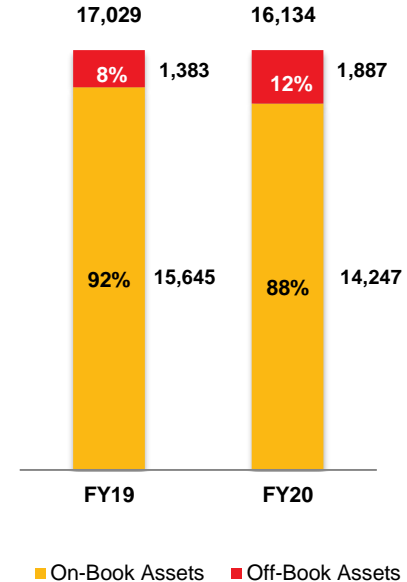
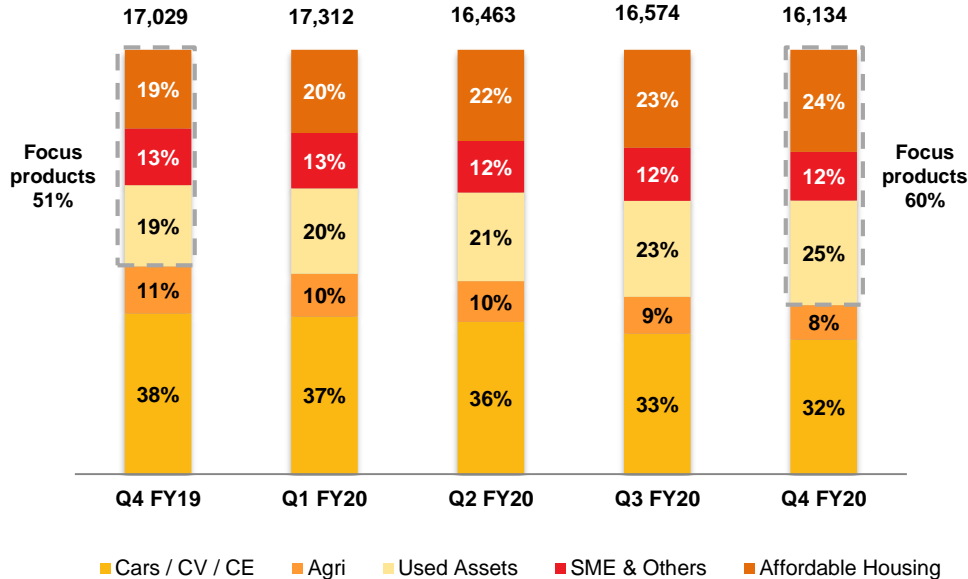


- Q4 FY20 Disbursals impacted due to COVID-19
- Increase in contribution of focus products, i.e., Used assets, Affordable Housing and SME from 62% to 78%

YoY Change in Disbursement Mix



AUM - Product mix moving towards focus products

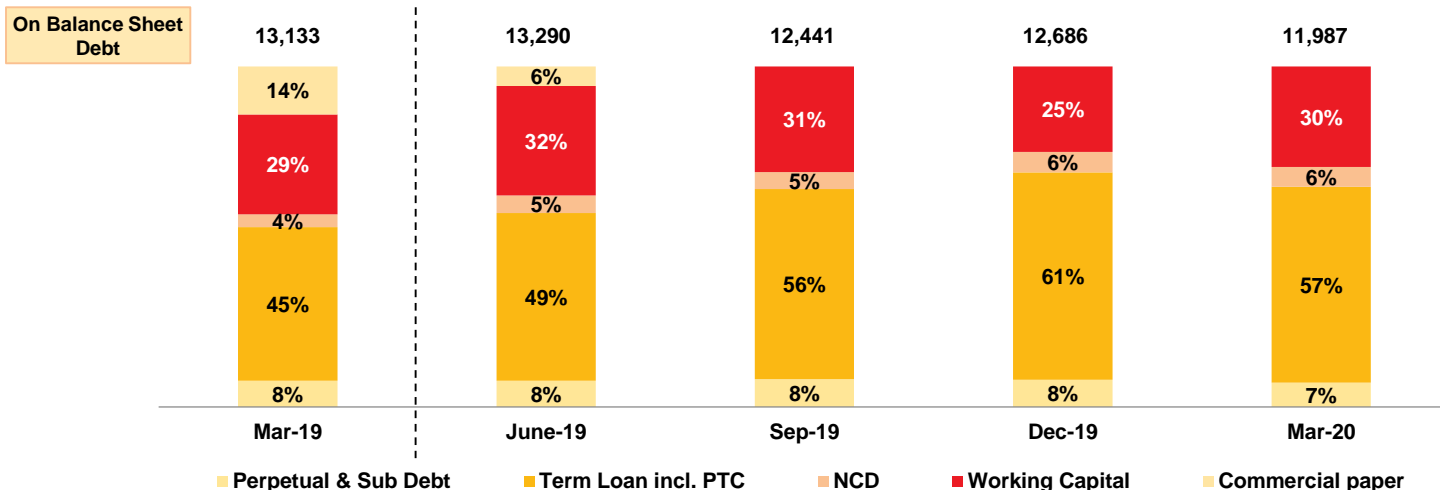


Asset Quality

Particulars	Q1 FY20	Q2 FY20	Q3 FY20	FY19	FY20
Gross Stage 1 and Stage 2 Assets	15,282	13,653	13,790	14,898	13,333
ECL Provision – Stage 1 and 2	300	286	277	293	291
Stage 1 and Stage 2 Coverage Ratio (%)	2.0%	2.1%	2.0%	2.0%	2.2%
Gross Stage 3 Assets	814	928	987	747	914
Net Stage 3 Assets	523	599	647	472	580
Gross Stage 3 Assets (%) (~ GNPA)	5.1%	6.4%	6.7%	4.8%	6.4%
Net Stage 3 Assets (%) (~NNPA)	3.3%	4.2%	4.5%	3.1%	4.2%
Stage 3 Coverage Ratio (%)	35.8%	35.4%	34.4%	36.8%	36.5%

- Assets quality ratios are calculated basis On Book AUM (i.e. Direct Assignment book is excluded)
- Figures for the previous periods have been restated/ regrouped to align with current quarter's presentation.

Liability Profile - Structural Shift to Long Term Liquidity



Instrument	Rating
Short term Debt	A1+ (CARE & CRISIL)
Long term Debt	AA- (CARE, ICRA & India Ratings)

- Entire borrowings from Long Term Sources of funds (Working Capital facilities are long term in nature, though shown as repayable in 6m-12m bucket for purpose of ALM).
- Source of liabilities as at 31 March 2020 – Banks: 83%, Debt capital market: 17%.

Borrowing Profile

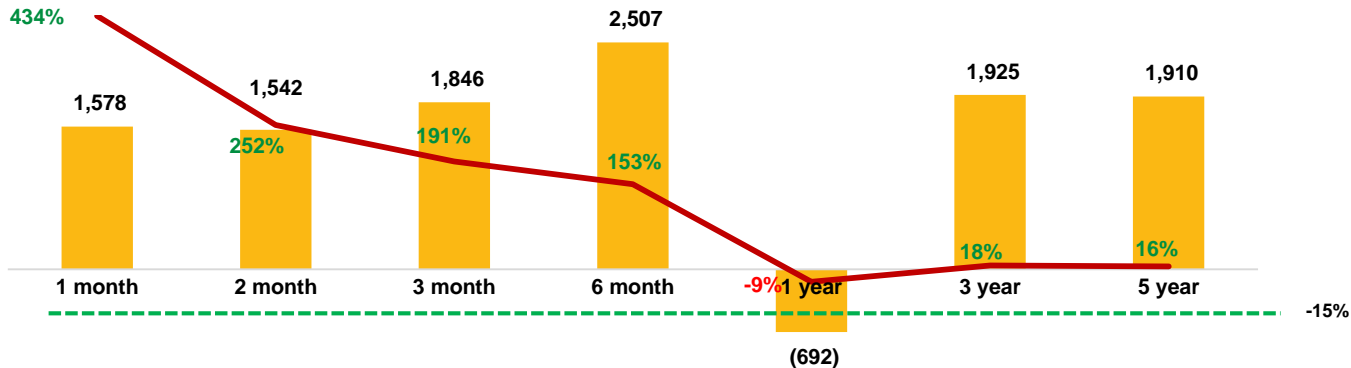
Fresh Borrowings in FY20

Instrument	MFL	MHFL	Consolidated
Term Loans including PTC/PCG	3,672	962	4,634
NCDs	551	-	551
Direct Assignment	1,000	282	1,282
Total	5,223	1,244	6,467

Borrowing Mix as at 31 March 2020

Particulars	Fixed Rate Borrowings	Floating Rate Borrowings
MFL	44%	56%
MHFL	15%	85%
Consolidated	40%	60%

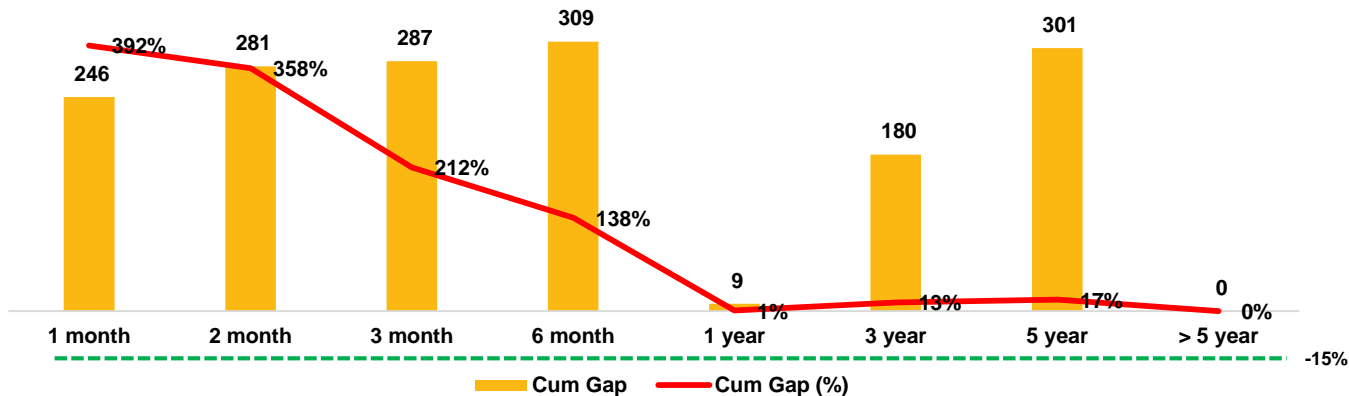
Structural Liquidity for MFL as at Mar 20



Note: ■ Cumulative Mismatch (Rs Crs) — Cumulative Mismatch (%)

- Moratorium was offered to all customers, however did not seek any moratorium from our lenders, leading to a small mismatch in 6 - 12 months time bucket, well within generally accepted mismatch in this bucket
- Working capital limits (30% of total borrowing) are considered as repayable in 6 - 12 months time bucket
- Liquidity Risk Management (LRM) Framework:
 - Adequate High Quality Liquid Assets (HQLA) to cover well over 100% requirement.
 - Surplus in each of the new granular buckets i.e. 1-7 days, 8-14 days, 15-30/31 days

Structural Liquidity for MHFL as at Mar 20

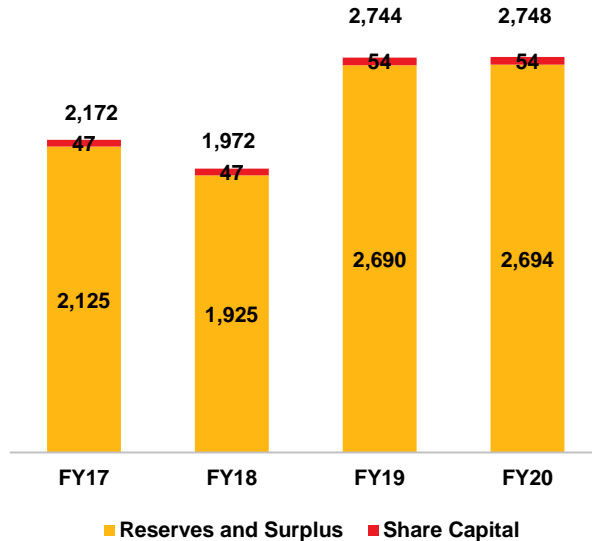


Note:

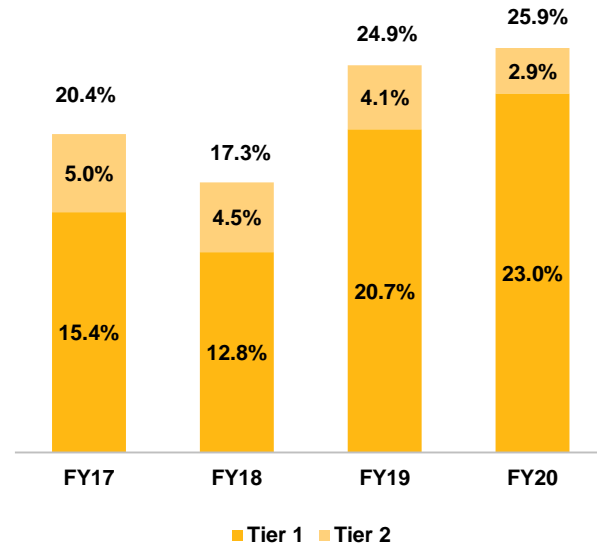
- Working capital limits (20% of total borrowing) are considered as repayable in 6 - 12 months time bucket
- Liquidity Risk Management (LRM) Framework:
 - Surplus in each of the new granular buckets i.e. 1-7 days, 8-14 days, 15-30/31 days

Adequately capitalized for growth

Net Worth



Capital Adequacy*



Note: FY17 numbers are as per I-GAAP; FY18, FY19 and FY20 numbers are as per Ind-AS
Values in Rs crore

* Subject to RBI guidelines

Consolidated Profit & Loss Statement*

Particulars	Q4FY20	Q3FY20	Q4FY19	FY20	FY19
Net Revenue	308	318	335	1,272	1,372
Expenses [#]	162	164	171	674	679
Operating Profit	147	154	164	598	693
Net Credit Loss (Normal) [#]	30	126	37	398	251
Profit Before Tax (before COVID-19 provision)	117	28	127	199	442
Additional Provision - COVID-19	117	0	0	117	0
Profit Before Tax	0	28	127	83	442
Tax (Normal)	(4)	7	40	19	138
Opening DTA impact due to change in tax rates	36	0	0	36	0
Profit After Tax	(31)	21	87	28	303
Share of profit in Joint Ventures / Associates	(4)	2	(2)	(1)	1
Consolidated Profit After Tax	(36)	22	85	27	304
RoA	-0.9%	0.5%	2.0%	0.2%	1.9%
RoE	-5.2%	3.3%	12.7%	1.0%	13.0%

* Re-formatted for better analysis

Premium paid under Credit Guarantee scheme clubbed with NCL

Values in Rs crore

Consolidated Balance Sheet

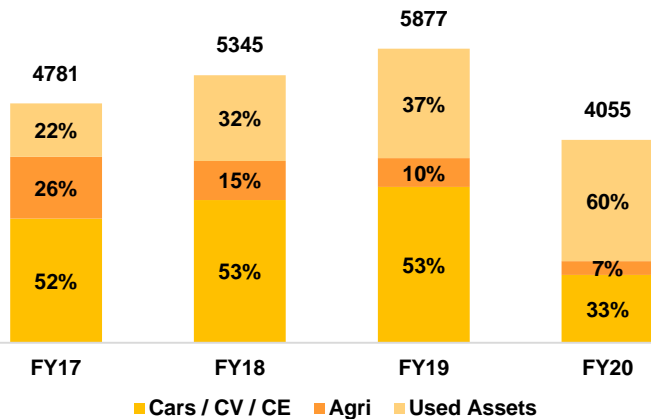
Particulars	31-Mar-20	31-Dec-19	31-Mar-19
Cash and Cash Equivalents	708	1,384	957
Loans and Advances	13,555	14,091	15,007
Other Assets	784	757	623
Fixed Assets	193	201	203
Total Assets	15,240	16,432	16,789
Borrowings	11,987	12,686	13,133
Other Liabilities	504	971	912
Share Capital	54	54	54
Reserves & Surplus	2,694	2,721	2,690
Total Liabilities	15,240	16,432	16,789

A hand holding a red dart, about to throw it at a target on a desk with a laptop and charts.

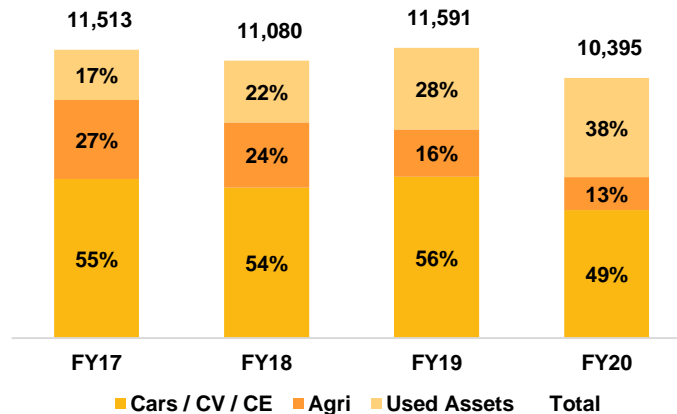
Business Strategy - Asset Backed Finance (ABF)

ABF Business Momentum

Disbursal % (Value)



Product-wise AUM Contribution

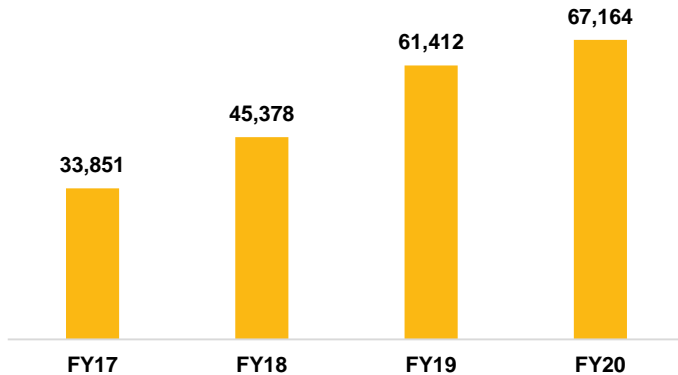


- Portfolio is being reshaped by increasing contribution of focus products and customer segments
- Flow through of higher Disbursal in Focus products is increasingly reflecting in AUM mix
- This will lead to improved Revenue Profile in ABF AUM
- Q2 disbursals curtailed with a view on liquidity; Q4 disbursals impacted by lockdown in March

ABF Disbursal Strategy focused on used assets

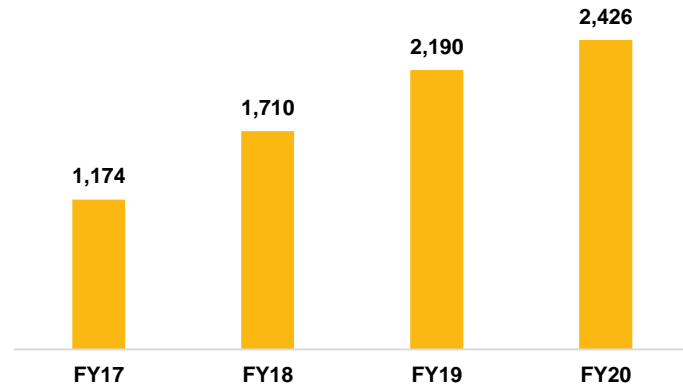
Used Asset Disbursement (Units)

3 Yr CAGR – 26%



Used Asset Disbursement (Rs. in Crs)

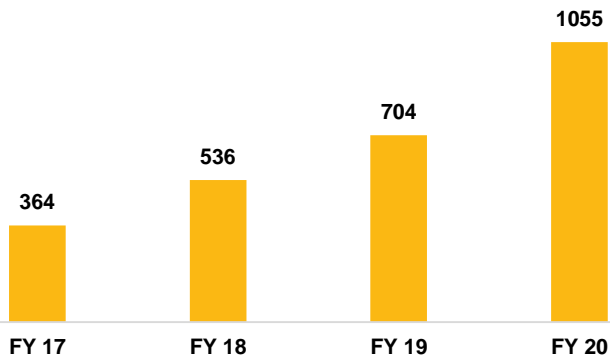
3 Yr CAGR – 27%



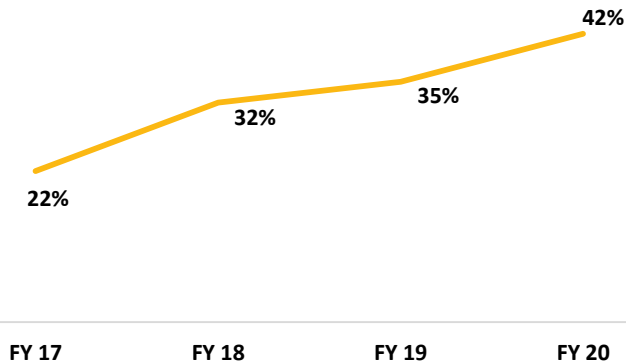
- Continued shift towards increasing the proportion of Used Assets since FY18
- 27% CAGR growth in Disbursals over three year period
- Q2 disbursals curtailed with a view on liquidity; Q4 disbursals impacted by lockdown in March

Focus on Cross Sell and Direct Business

Cross sell Disbursement



Direct Business % of total ABF Disbursal (Units)



FY	Volume (in cr)	% Increase
FY17	364	
FY18	536	↑ 47%
FY19	704	↑ 31%
FY20	1,055	↑ 50%

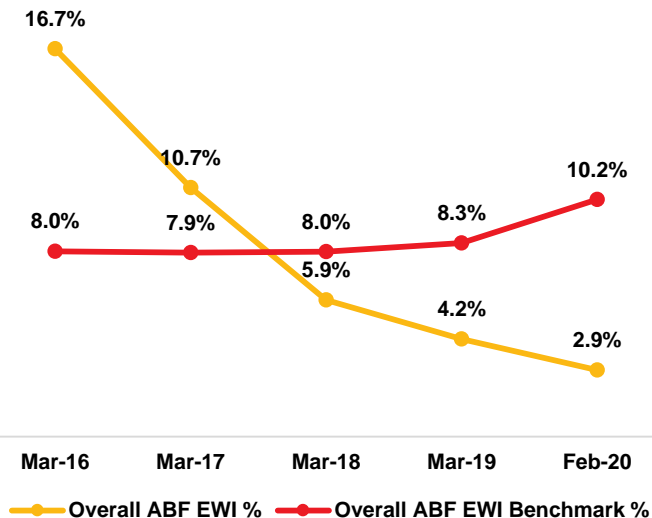
- Significant growth in direct business from 22% in FY17 to 42% in FY20
- Direct business contribution to overall business is steadily improving

* FY 20 - Q2 disbursals curtailed with a view on liquidity; Q4 disbursals impacted by lockdown in March

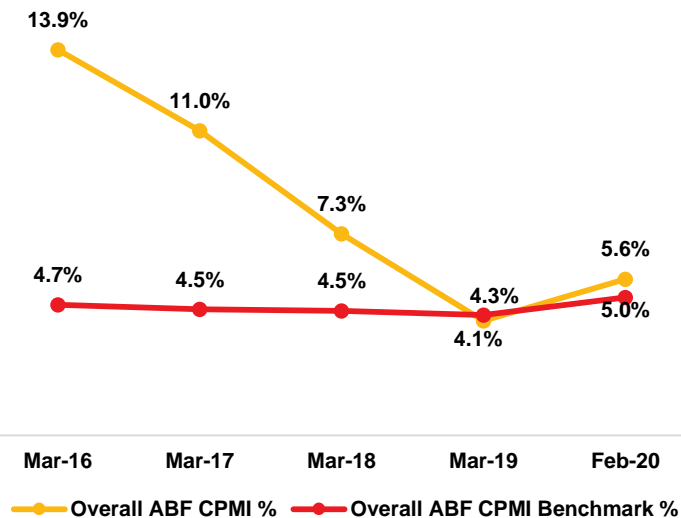
Values in Rs crore

Portfolio Quality Indicators

EWI Trend for ABF



CPMI Trend for ABF



EWI: Early Warning Indicators are the 0+% of each quarterly portfolio with 1 Quarter Lag (Tractor Non-Monthly structure is with 2 Quarter Lag)
CPMI: Continuous Portfolio Monitoring Indicator is a composite index of 4 indices monitoring the 60+% movement of quarterly portfolio at different time lag



Business Strategy - SME and Others

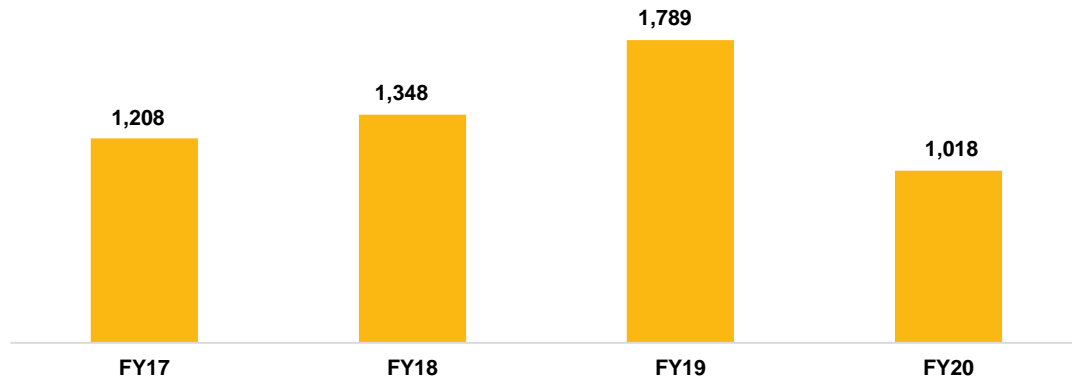
SME and Others

API enabled digital workflow platform

'MScore' Proprietary Credit Scorecard Integrated Rule Engine

Empowering SMEs with government schemes like interest subvention and credit guarantee

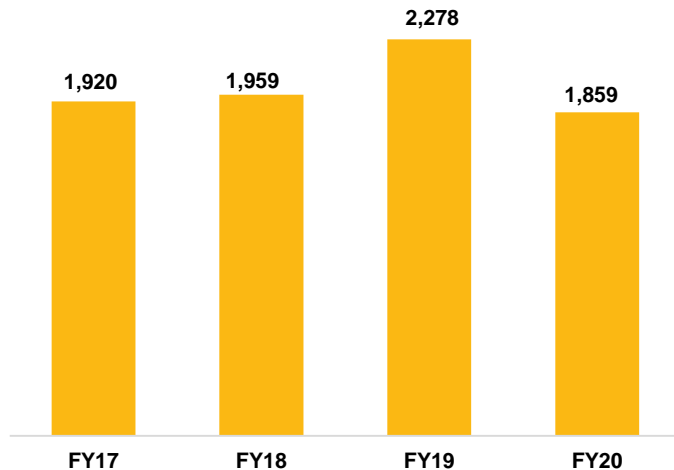
Disbursement



Disbursals curtailed to focus only on high quality assets in current stressed times for MSMEs

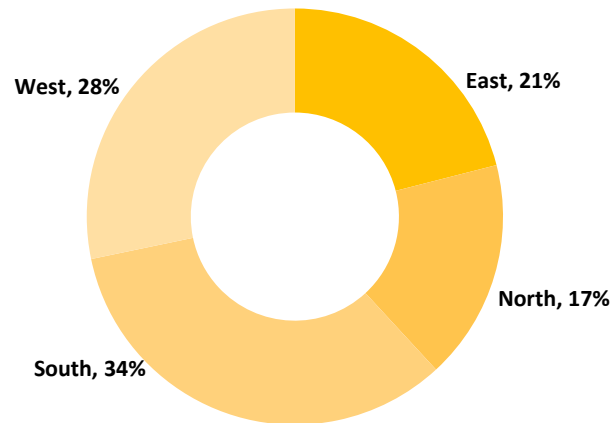
SME and Others

AUM



Prudence adopted in unsecured SME business given tough macro conditions

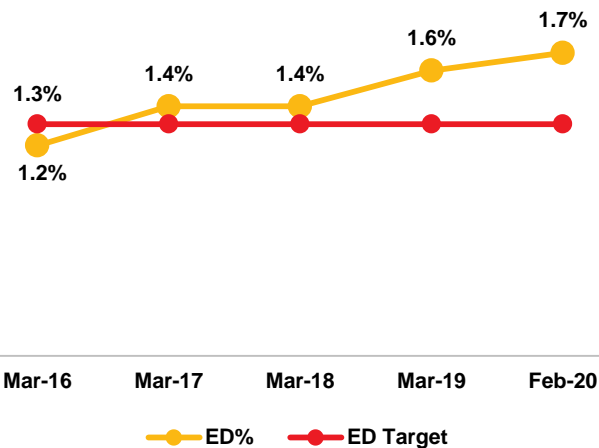
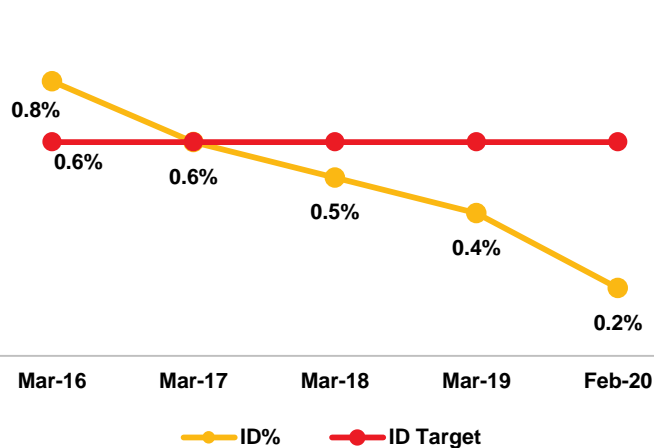
Geographical Diversification



Geographically well diversified portfolio

SME Finance - Early Indicators: ID & ED Trends

ID & ED Trend for SME Finance



ID = 0+ bkt % for cases sourced in last 6 months on 1 month lag basis including current month .
ED = 60+ bkt % for cases sourced in last 12 months on 3 month lag basis including current month.

Business Strategy - Affordable Housing Finance



Disbursal Momentum - AHF

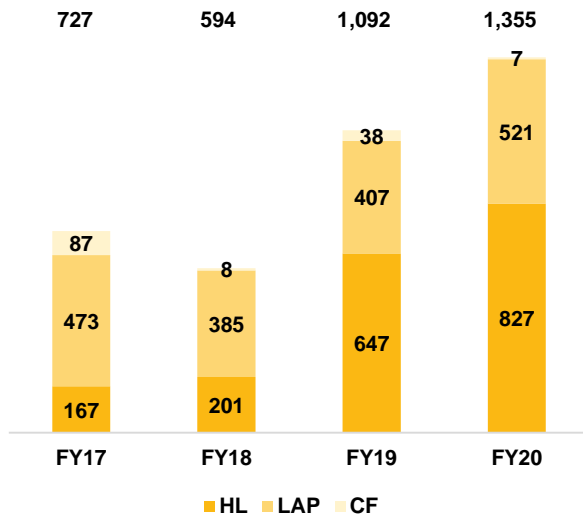
National Presence
19 States and
103 Branches

API enabled
digital workflow;
integrated rule
engine

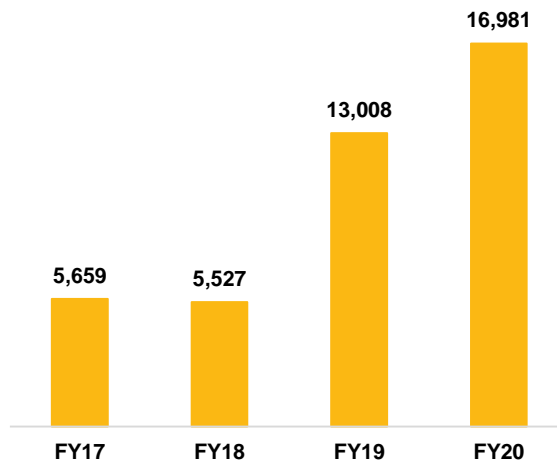
51% PMAY
penetration in
fresh Home Loan
on-boarding

53% of
customers
sourced in FY20
are new to credit

Disbursement



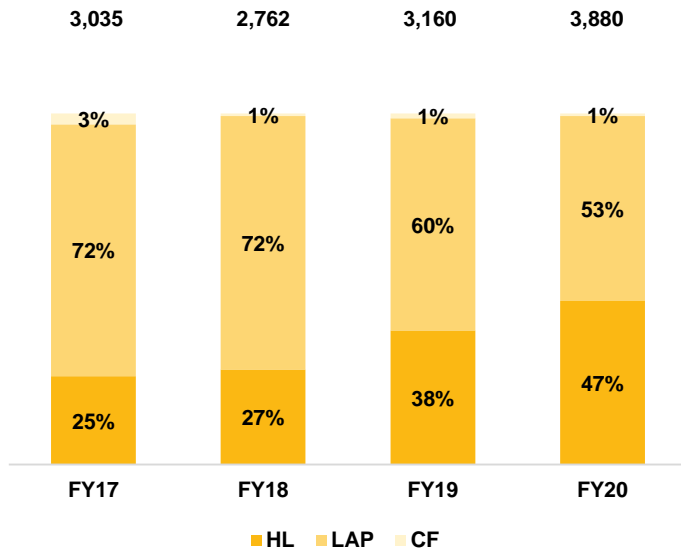
Disbursement (# Nos. Accts)



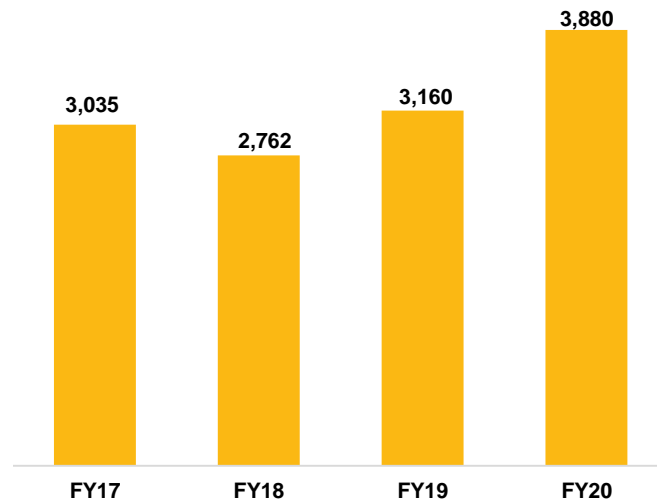
* AHF includes HL, LAP and CF
Values in Rs crore

AUM Momentum - AHF

Product Mix



AUM

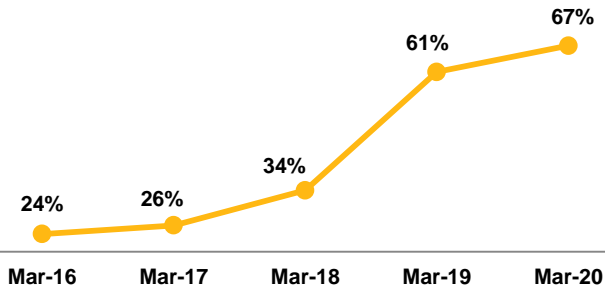


Progressing Well – Core Business Values



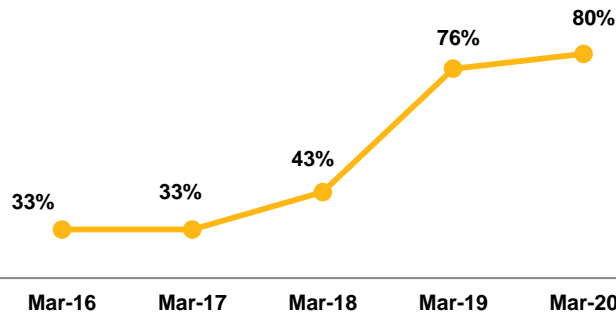
Go Home Loan

HL Ratio (Units)



Go Direct

Direct Ratio (Units)

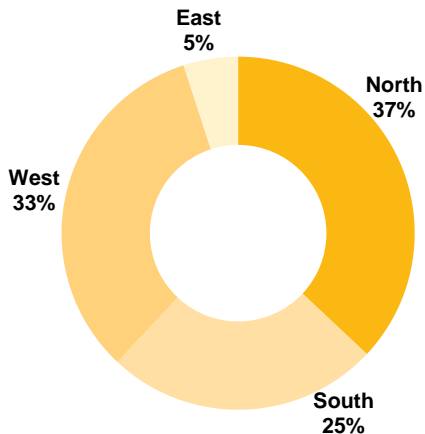


Key Takeaways

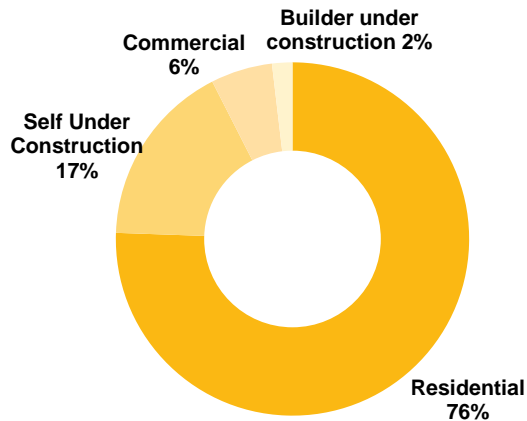
- Home Loan share is consistently around 65%
- Direct distribution capabilities set up in last 2 years
- 80% of sourcing is relationship based direct sourcing

Well Diversified Business

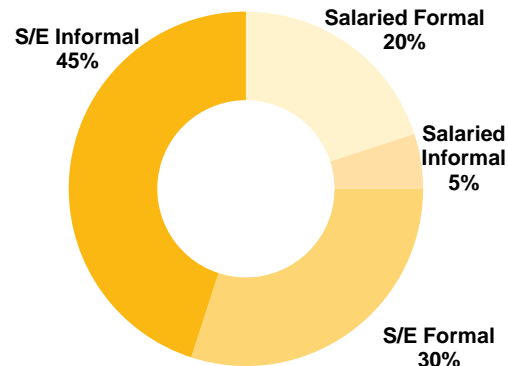
Geographical Distribution



Collateral Mix



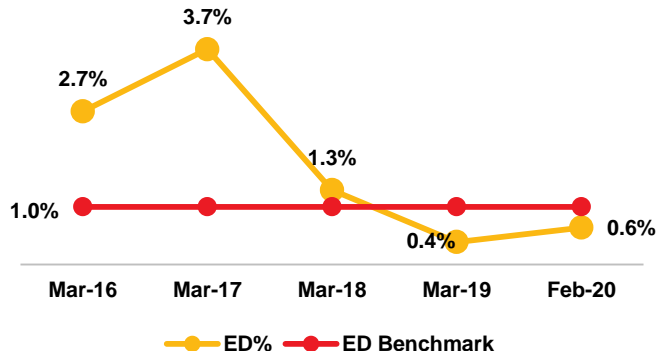
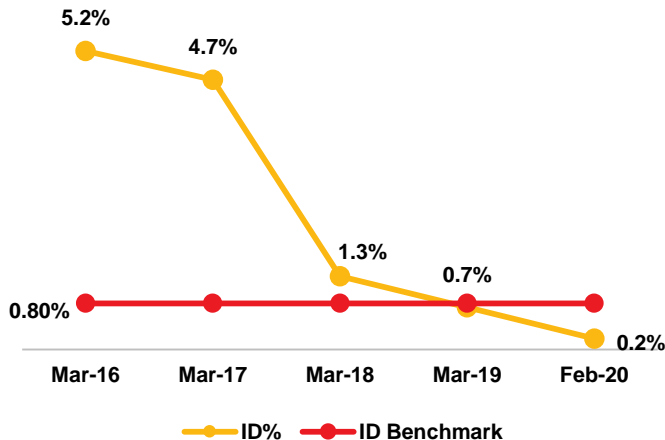
Customer Mix



- Geo-risk optimized; diversified National presence
- Minimal construction risk, under-construction builder property only 2% of disbursement
- Balanced Mix of Salaried: Self employed and Formal: Informal customers

Improving Delinquency Parameters

ID & ED Trend for AHF



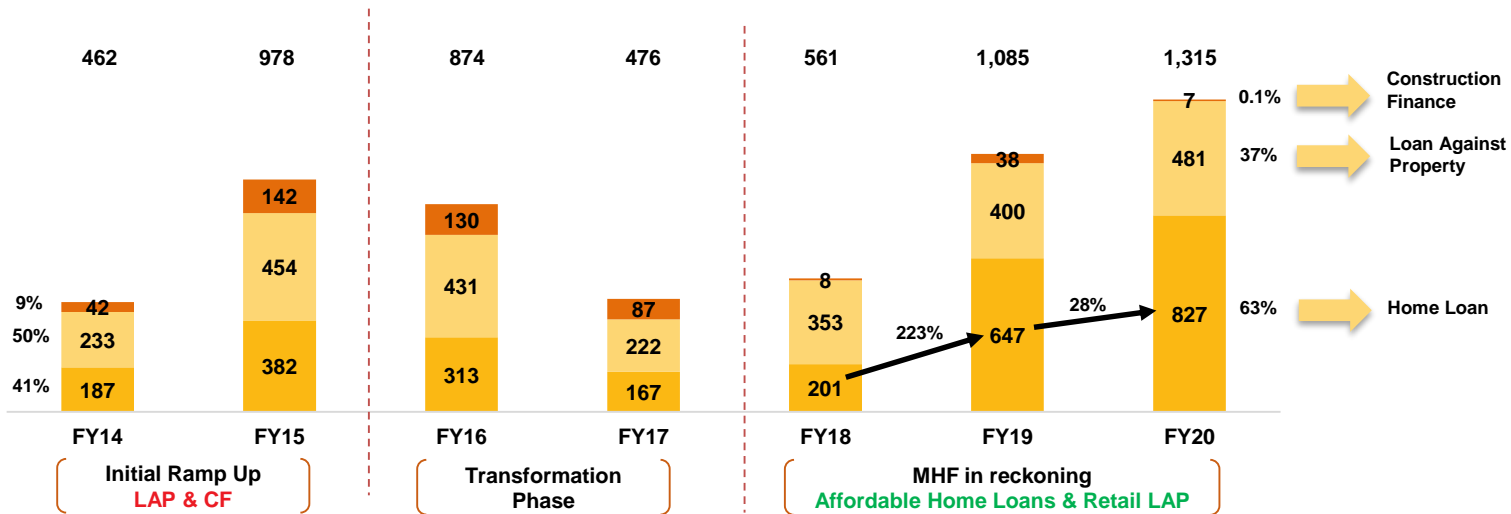
Y-o-Y & Q-o-Q improvement in ED and ID for Affordable Housing Finance

ID = 0+ bkt % for cases sourced in last 6 months on 1 months lag basis including current month .
ED = 30+ bkt % for cases sourced in last 12 months on 2 month lag basis including current month.

Magma Housing Finance (Subsidiary)



MHF – Emerging as a strong Affordable Housing Finance Entity



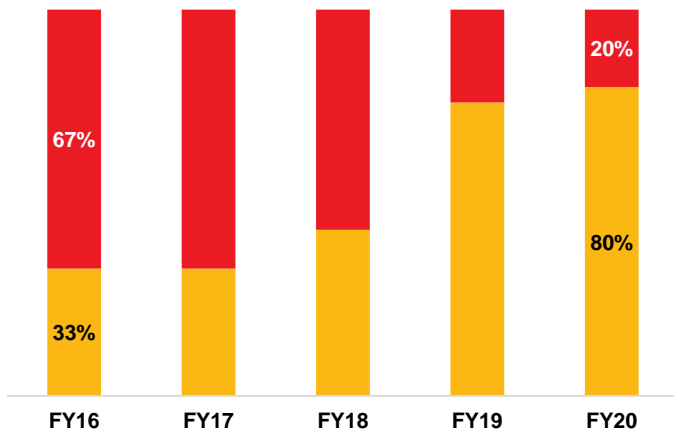
“The company has consciously transformed towards building the granular long term affordable housing book”

Relationship based direct sourcing...

Sourcing Mix

874 475 562 1,085 1,315

Go Direct 80%

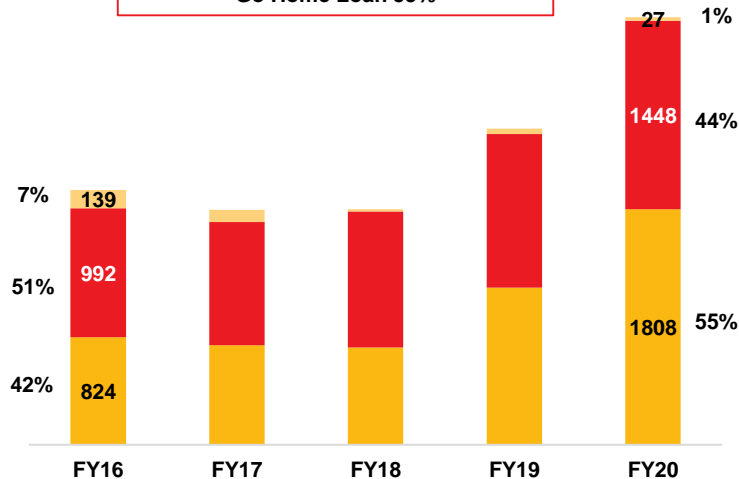


■ Direct Sourcing ■ Channel sourcing

AUM

1,955 1,790 1,809 2,429 3,283

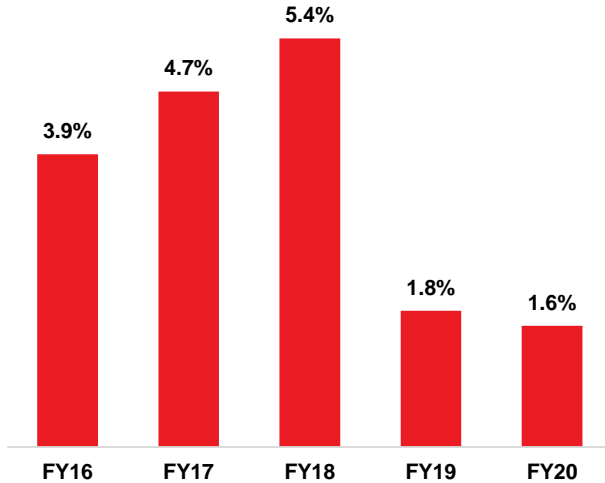
Go Home Loan 55%



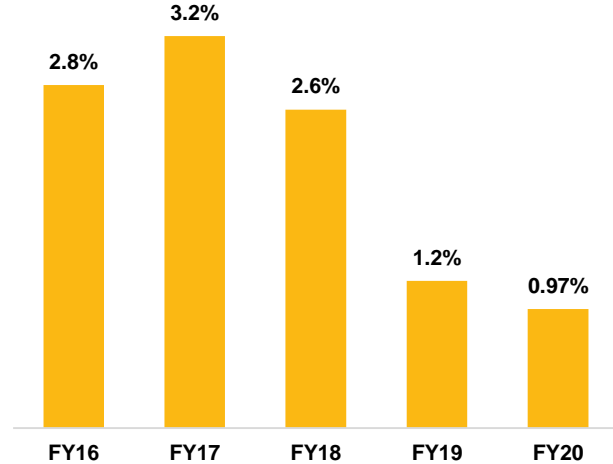
■ HL ■ LAP ■ CF

Momentum towards Best in Class Asset Quality...

GNPA



NNPA

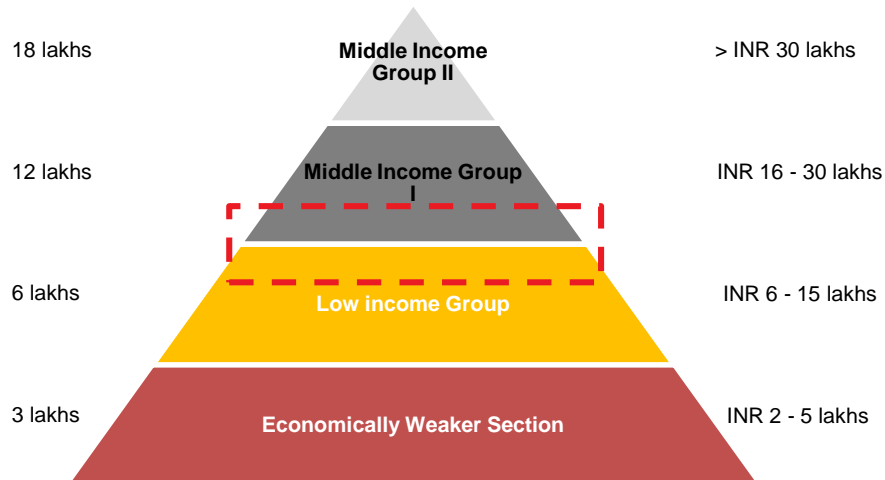


Best in Class upper quartile portfolio quality in Affordable Housing Finance

Serving the under-served MIG and LIG customers

Household Income

Average Loan Ticket Size



MHF Customer segment

- Primarily new to credit customers buying first home
- 72% of loans disbursed in Tier 2 and Tier 3 towns
- Income type: Self Employed, Salaried Informal, Self Employed-Professional, Salaried
- Lending towards affordable housing with Average Ticket Size of 9-13 lakhs

Pan India Affordable Housing Finance Company



Asset Light Branch Network

- ✓ Wide retail presence through hub and spoke model
- ✓ Technology enabled solutions leading to industry best productivity, national coverage and best in class customer experience
- ✓ Strong customer engagement through large team of Field Executives
- ✓ Toll free Inbound/Outbound Customer Call Centre for servicing and cross sell

103 Branches as on 31st March, 2020

Deep presence in select geographies pan India through hub and spoke model,



MHF - Value in Consistent Performance

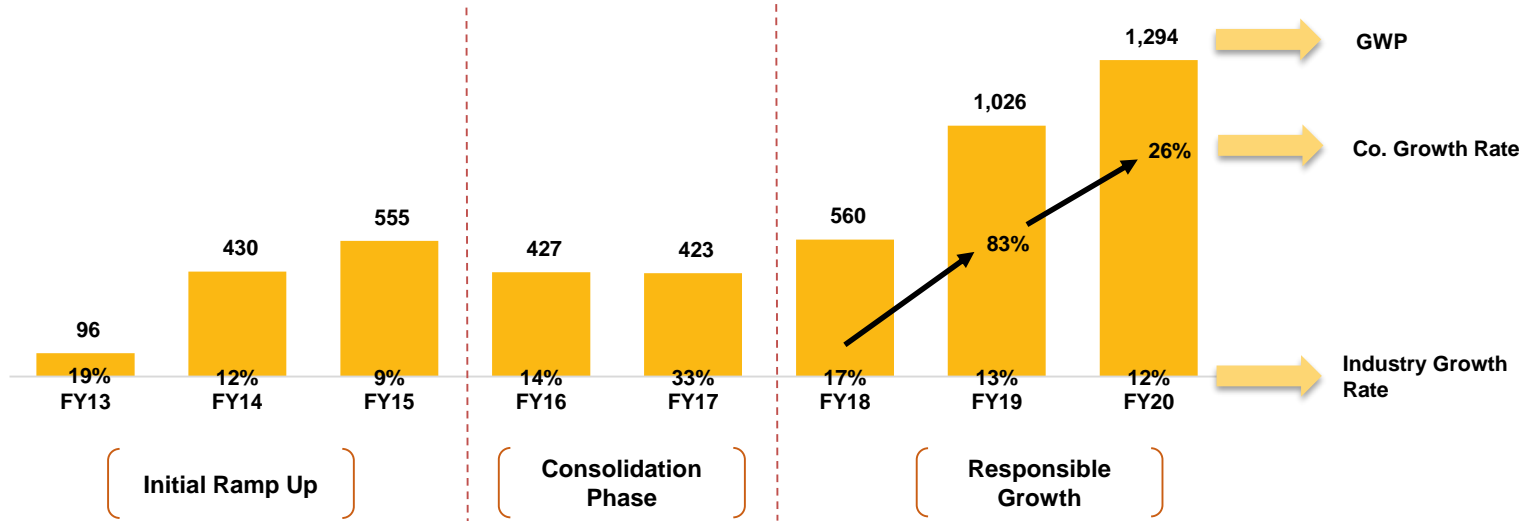
Parameter	FY16*	FY17*	FY18*	FY19*	FY20*
AUM	Rs. 1,955 crs	Rs. 1,790 crs	Rs. 1,809 crs	Rs. 2,430 crs	Rs. 3,283 crs
Gross NPA	3.9%	4.7%	5.4%	1.8%	1.6%
Net NPA	3.1%	3.7%	3.3%	1.2%	0.97%
Disbursement IRR	13.9%	14.0%	13.3%	13.1%	13.8%
Opex Ratio	3.1%	2.8%	3.1%	3.9%	3.6%
PAT	Rs. 23 crs	Rs. 34 crs	Rs. 34 crs	Rs. 34 crs	Rs. 43 crs
ROA	1.3%	1.9%	1.9%	1.6%	1.5%
ROE	9.5%	13.1%	11.5%	10.4%	10.4%

*Note: Performance for FY16 and FY17 as per I-GAAP; FY18 to FY20 performance as per Ind-AS







Business Strategy - MHDl

Magma HDI General Insurance - Registering robust growth built on strong risk foundation



“The company has registered growth rate higher than industry growth rate for 3 years in a row”

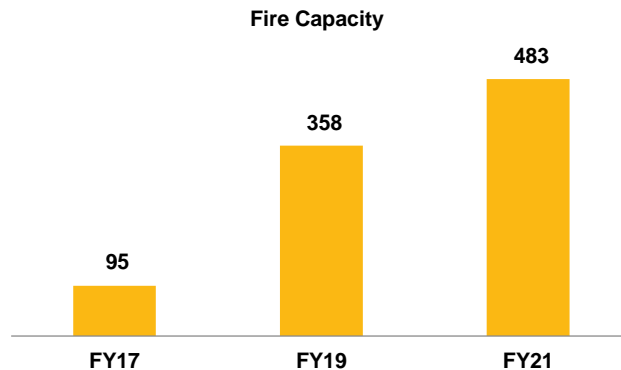
Portfolio Composition

Portfolio Type	FY13	FY17	FY20	CAGR over FY17	Industry CAGR over FY17
 Motor Insurance	91.1%	80.5%	79.5%	45.0%	11.3%
 Commercial Insurance	8.9%	18.8%	16.4%	38.7%	11.4%
 Health Insurance	0.0%	0.7%	4.0%	161.8%	18.2%
 Crop Insurance	0.0%	0.0%	0.0%	0.0%	16.1%
Total	100%	100%	100%	45.5%	14.0%

“Retail franchise contributing 83.2% of total business, increasing focus on health”

Increasing capacities to underwrite Industrial Risks

Reinsurer Rating (S&P or equivalent Global Rating)	FY17	FY21
A- and above	3	9
Below A-	9	0
Total	12	9



“Reinsurance capacities backed by strong reinsurers; capacity at par with mid-size peer companies”

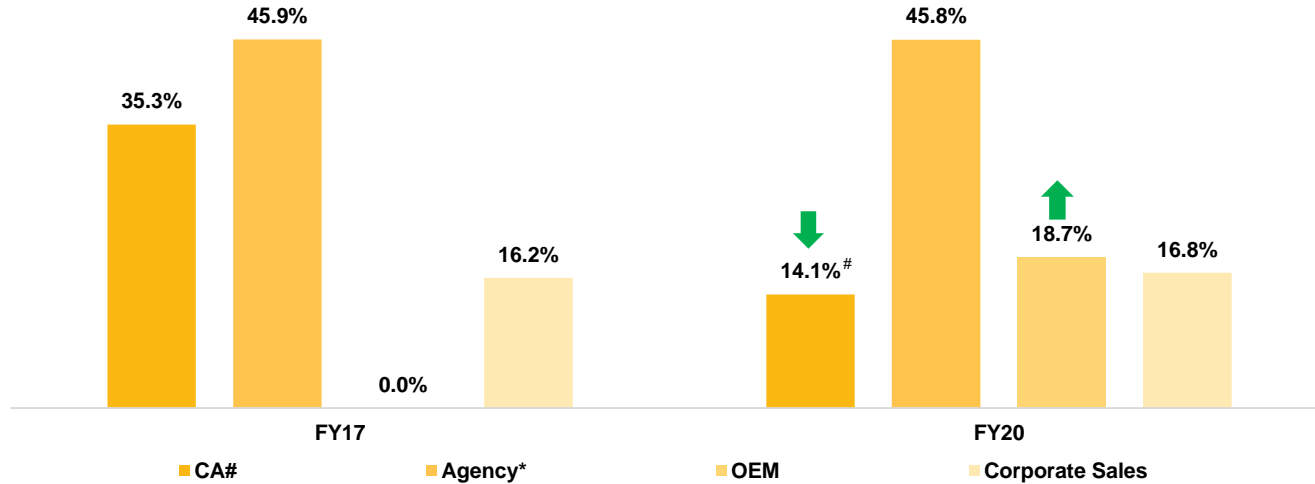
Enhancing distribution through partnerships

Offices & Channel Partners	FY16	FY17	FY18	FY19	FY20
Number of Branches	80	80	125	169	170
Agents + POS* + MISP#	1,751	1,867	2,790	5,028	6,558
Corporate Agents	1	3	5	7	13
OEM Tie-ups	0	0	1	1	6
Number of Districts where policies are issued : 534		Number of Districts where claims are serviced : 604			

*POS – Point of Sale, #MISP – Motor Insurance Service Provider

Generating business from over 70% districts with the ability to service claims in more than 80% districts in India through strong use of technology”

Diversifying channel mix

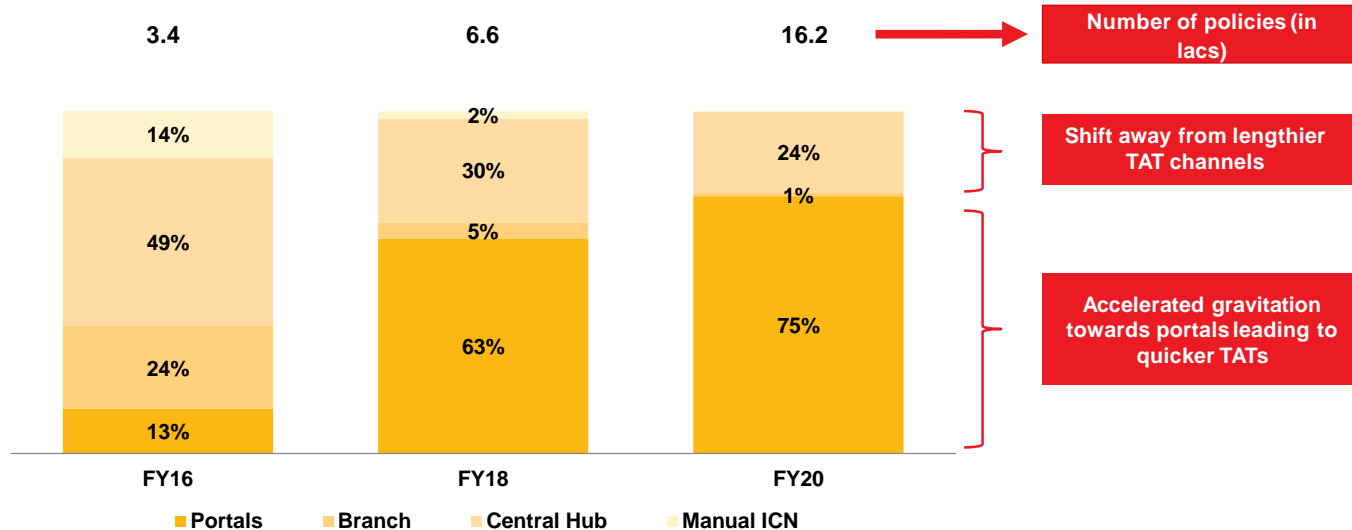


Corporate Agency; reduced dependence on captive business,
*includes Direct & others

“Reducing dependence on Corporate Agency – Magma Group and increasing share from OEM relationships”

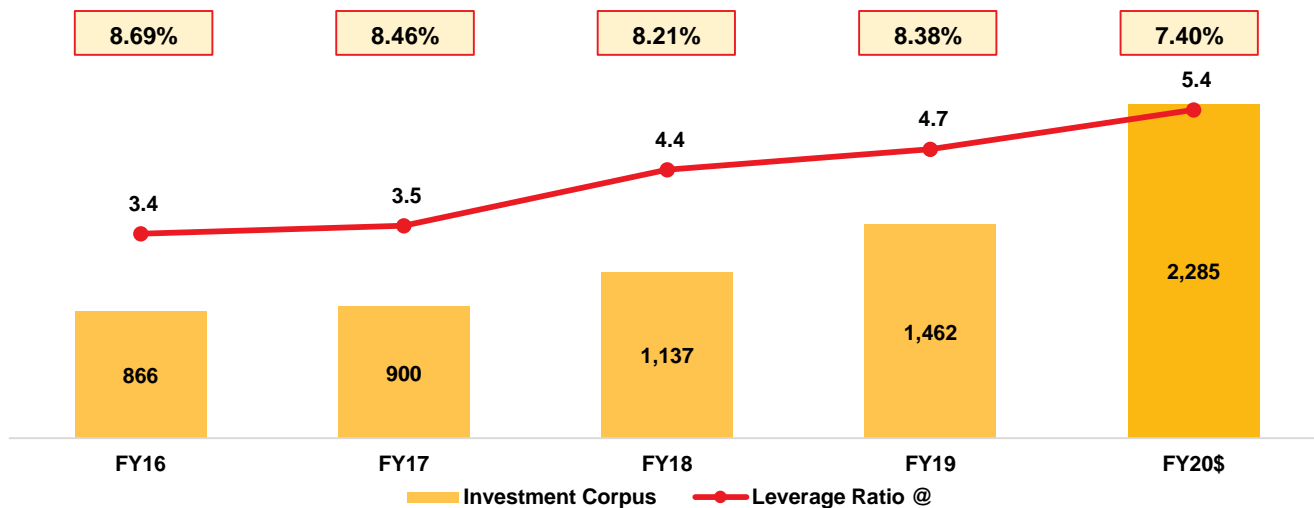
Technology Led Scalable Growth

Shift Towards Quicker, Safer Customer Touch Points



“Technology leading to smoother distribution experience; Rule based automated systems for checks and control”

Investment Corpus



“More than 80% of the Investment Corpus is invested in AAA rated securities”

@ - Closing Investment corpus by closing capital, \$Partial allotment of share Application money considered in closing capital

Values in Rs crore

Magma HDI General: Financial Performance



Particulars	FY16	FY17	FY18	FY19	FY20
Gross Written Premium	427	423	560	1026	1294
Net Earned Premium	373	327	335	385	708
Net Incurred Claims	319	259	277	272	597
Net Commission	12	4	(12)	(29)	(63)
Management Expenses	126	143	154	258	373
Underwriting Loss	(85)	(78)	(85)	(105)	(180)
Investment & Other Income	78	85	91	107	201
Investment write-off/Provision	0	0	0	(10)	(19)
PBT	(7)	7	6	(8)	2
PAT	(12)	6	5	1	(6)
Key Ratios					
Retention Ratio	78%	77%	67%	50%	61%
Combined Ratio	126.8%	123.6%	120.2%	112.1%*	120.7%
Solvency Ratio#	1.78	2.07	2.01	1.58	1.71
Other Details					
Share Capital & Reserves\$	258	258	258	308	384*
Accumulated Losses	(39)	(32)	(28)	(26)	(32)

“Lowest accumulated losses in the initial 8 years of operation. For other second wave peer companies, it ranges between Rs.175 crores to Rs.1000+ crores ”

Note : *FY19 Combined ratio is post one time TP transaction, #Solvency ratio excludes share application money pending allotment, \$Share Application money pending allotment of Rs. 75 crores & Rs. 53.2 crores is not included as at March 19 & March 20 resp. in Share Capital & Reserves.

Values in Rs crore

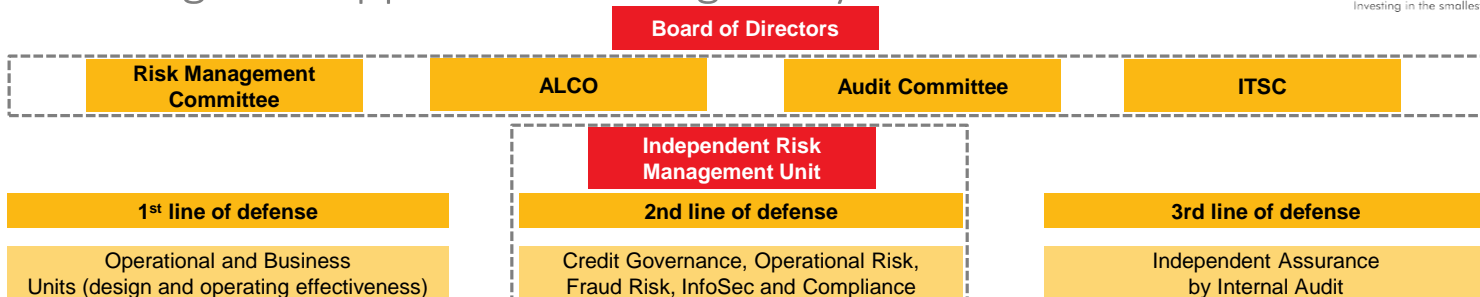
Magma HDI General: Profit & Loss Statement

Ind AS					
Particulars	Q4 FY20	Q4 FY19	Q3 FY20	FY20	FY19
Gross Written Premium	345.4	358.5	358.3	1,293.9	1,025.8
Net Written Premium	200.4	224.2	227.4	790.2	516.9
Net Earned Premium	193.9	188.2	180.9	708.3	384.9
Net Claims Incurred	162.2	165.6	156.6	597.5	272.0
Net Commission	(12.1)	(14.6)	(21.6)	(62.9)	(28.9)
Management Expenses	89.8	76.0	93.3	355.2	247.4
Impairment loss	10.9	8.3	0.1	18.6	10.4
Underwriting Profit	(56.9)	(47.1)	(47.5)	(200.1)	(115.9)
Investment & Other Income	52.9	33.4	52.4	205.8	107.4
Profit Before Tax	(4.0)	(13.7)	4.8	5.7	(8.4)
Taxes	7.9	(9.7)	0.1	8.8	(9.7)
(-)Current Taxes (including MAT Credit)	7.9	(11.0)	(0.1)	7.8	8.7
(-)Deferred Taxes	0.1	1.3	0.2	1.0	(18.4)
Profit After Tax	(11.9)	(4.1)	4.8	(3.1)	1.3

Business enablers
to drive sustainable
growth



Enterprise wide, independent risk management framework, An integrated approach covering entity wide risks



Components of Risk Management	Overarching principles and execution
Risk Governance	<ul style="list-style-type: none"> • Risk Appetite Statement and Strategic Risk Assessment set the guardrails • Quarterly Committee meetings to assess enterprise risk profile • Well defined risk policies and standards
Operating controls and compliance	<ul style="list-style-type: none"> • Comprehensive Risk library. Regular monitoring of Key Risk Indicators. • Internal Financial Controls (IFC) standards as mandated by Companies Act
Credit underwriting strategies	<ul style="list-style-type: none"> • Decisioning platforms based on segmental behavior and risk based pricing • Automated Credit Rule Engine with connectivity to bureau and fraud systems
Analytics driven portfolio management	<ul style="list-style-type: none"> • Statistically derived Early Warning Indicators (EWI) and Continuous Portfolio Monitoring Indicators (CPMI) • Robust PD and LGD models guide consistently accurate loss forecasting
Capital and Liquidity Management	<ul style="list-style-type: none"> • Proactive management of ALM mismatch in each time bucket • Prudent capital and liquidity buffers for stress resilience

Enterprise wide, independent risk management framework, Risk strategy to deal with COVID-19 situation

During the end of financial year, we have been faced with unprecedented health and economic crisis on account of COVID-19 which has led us to fine tune our existing risk strategy due to the uncertain conditions.

Minimum disruption of activities	<ul style="list-style-type: none">• Being a geographically neutral team, which can work from a non-office location without much disruption, the Risk team has ensured minimum disruption of its planned activities during the crisis
Key initiatives by the Risk team	<ul style="list-style-type: none">• All planned risk activities like risk reviews, IFC exercise, KRI monitoring, committee meetings have been carried out as per plan• Developed an Event Risk register to monitor the new risks, and corresponding controls put in place to deal with the COVID-19 situation• Participated in COVID-19 specific webinars to get valuable insights into risks due to the pandemic and undertaken discussions with the business units for mitigating the same• Intensified surveillance activities by FRM happening on a regular basis. Team has also focused on the training of other support functions for better fraud prevention• Credit pre-approved customers are being reassessed by the Credit team for loans in uncertain scenario• Customer Survey done to understand how they have been affected by this crisis and obtained invaluable feedback to improve credit processes / re design lending and collection strategies
Road ahead	<ul style="list-style-type: none">• Increased use of secured technology tools to conduct risk activities• Identifying and eliminating redundant processes, identified during the crisis, across the organization• More impetus on telephonic discussion for investigations and cross verifications

Business enablers to drive sustainable growth - People

- Fully functional **role based and** state of the art learning tools aimed at enhancing productivity and behavior
- **Structured Onboarding Program** across levels for smooth onboarding and integration.
- **Development interventions through International program** for Senior leadership, including 360 degree feedback
- **Leadership Talent evaluation** for VPs & SVPs with an objective of building leadership depth & succession
- **Talent management framework** with objective of building internal talent pipeline and strengthening retention
- Empowering business leaders with **real time HR dashboards** to help them make informed people related decisions
- Empowering business leaders with structured **Performance Review Program** to have a review rigor among teams

Leadership Team and Shareholding Structure



Board of Directors

Promoter Directors

Mayank Poddar

Chairman Emeritus and Whole time Director

- Supports policy formulation and guidance to the Management/Board
- Over 30 years of experience in the financial sector.

Sanjay Chamria

VC and MD

- Anchors strategic policy formulation and execution.
- Drives new business initiatives and leads management team

Non Executive Independent Directors

Narayan K Seshadri

Chairman

He is on the Board of companies including Clearing Corporation of India Limited, PI Industries Limited and SBI Capital Markets Limited

VK Viswanathan

Director

He served as the Chairman and Managing Director of Bosch Ltd. He currently serves on board of various reputed Indian corporates as an Independent Director.

Vijayalakshmi R Iyer

Director

Previously served as an Executive Director of Central Bank of India, Chairperson and Managing Director of Bank of India. She was also a Whole Time Member (Finance and Investment) in the IRDAI.

Bontha Prasad Rao

Director

Mr Rao has served as the Chairman and Managing Director of Bharat Heavy Electricals Limited. He is currently the Managing Director of Steag Energy Services India, subsidiary of Steag Energy Services Germany

Sunil Chandiramani

Director

He is a Management Consultant & CEO of NYKA Advisory Services. Earlier, he was associated with Ernst & Young LLP in various capacities for 25 years. He is on the board of various Indian corporates as an Independent Director

Management Team



Sanjay Chamria
VC and MD

Business CEO / Functions

Support Functions



Manish Jaiswal
MD & CEO - HFC,
CEO - SME

Jun-2017

Head, Risk
Advisory,
Research and
SME Ratings,
CRISIL



Rajive Kumaraswami
MD & CEO - MHDl

Jun-2016

Chief
Representative
Officer - India
Liaison office,
SCOR Re, India



Deepak Patkar
CEO - ABF

Sep-2018

Chief Risk Officer,
Fullerton India
Credit Company
Limited.



Harshvardhan Chamria
Chief Digital Officer

Sep-2014

Chief Strategy
Officer- Housing
and SME, Magma
Fincorp Limited



Rajneesh Mishra
Chief People Officer

Jan-2019

Vice president-
HR,
Bajaj Finserv
Limited



Kailash Baheti
Chief Financial Officer

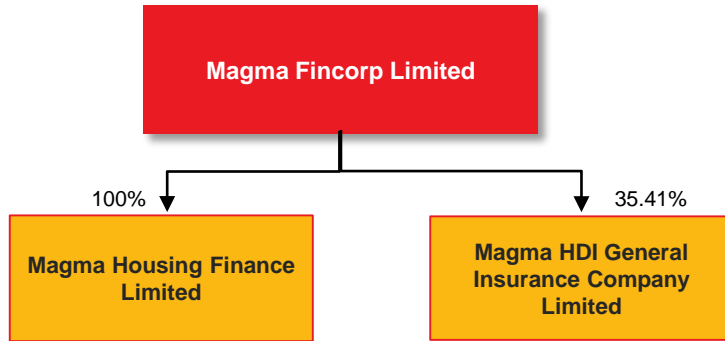
Oct-2011

CEO,
Century
Extrusions Limited

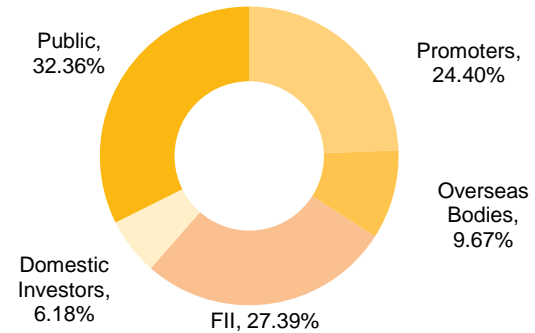
Joined

Title and Previous Company

Holding Structure & Shareholding Pattern



Shareholding (31-Mar-2020)



Glossary

AUM	Assets Under Management: On-Book & Off-Book Loan Assets
Average AUM (AAUM)	Average of XXing and closing AUM
FOS / Field Officer	Feet on Street
ABF	Asset Backed Finance
AHF	Affordable Housing Finance
HL	Home Loan
LAP	Loan against property
SME	Small & Medium Enterprises
NDSA	Non-dealer Direct Selling Agent
DDSA	Dealer Direct Selling Agent
Direct Biz	Direct Biz means Business directly generated by Magma employees without help from DDSAs / NDSAs / Brokers, and includes Cross-sell
Mortgage Direct Biz	Business through connectors is included in Direct business
ATS	Average Ticket Size
Mortgage ATS	Disbursals during the month / Number of first time disbursals
ODPOS	Overdue + Principal Outstanding
NIM	Net Interest Margin: [Total Income (incl. Other Income)– Interest Expenses]/Average AUM
Yield	Weighted average yield on Loan Assets including Off-Book Loan assets
CoF	Cost of Funds: Weighted average cost of borrowings including securitization
Opex / AUM%	Opex / Average AUM
Total Assets	On B/S Assets of MFL (Consolidated)
NCL	Prov. & Write-off/ Average AUM
Gross Stage 3 Assets %	Gross Stage 3 Assets / Closing AUM (On-book)
Net Stage 3 Assets %	(Gross Stage 3 Assets – ECL Provision – Stage 3) / (Closing AUM (On-book) – ECL Provision Stage 3)
ECL	Estimated Credit Loss
RoA	PAT (excluding OCI) / Average AUM
RoE	PAT (Excluding OCI) / (Net worth - Goodwill)
Networth	Equity Share Capital + Reserves & Surplus
BVPS	Book Value per share: (Net worth-Goodwill) / No. of Equity shares outstanding
EPS	Earnings Per Share (Diluted)
MITL	Magma ITL Finance Limited (Merged with MFL)
MHF	Magma Housing Finance Limited (100% Subsidiary)
MHDI	Magma HDI General Insurance Company Limited (Joint Venture)
SENP	Self-employed Non Professional
SEP	Self-employed Professional
NIP	No income Proof
GWP	Gross Written Premium
GDPI	Gross Direct Premium Income

Annexures



Magma Fincorp Ltd. (MFL) Standalone Profit & Loss Statement*



Particulars	Q4 FY20	Q3 FY20	Q4 FY19	FY20	FY19
Net Revenue	266	268	309	1,098	1,250
Expenses [#]	138	138	145	573	597
Operating Profit	128	130	164	525	653
Net Credit Loss (Normal) [#]	20	123	39	382	250
Additional provision - COVID-19	109	0	0	109	0
Profit Before Tax	(1)	7	125	34	403
Tax (Normal)	(3)	1	39	7	128
Opening DTA impact due to change in tax rates	37	0	0	37	0
Profit After Tax	(35)	5	87	(10)	275

* Re-formatted for better analysis

[#] Premium paid under Credit Guarantee scheme clubbed with NCL

Values in Rs crore

Magma Fincorp Ltd. (MFL) Standalone Balance Sheet



Particulars	31-Mar-20	31-Dec-19	31-Mar-19
Cash and Cash Equivalents	648	1,133	933
Loans and Advances	11,183	11,866	13,138
Other Assets	948	837	730
Fixed Assets	176	185	187
Total Assets	12,955	14,021	14,988
Borrowings	10,109	10,952	11,750
Other Liabilities	331	518	682
Share Capital	54	54	54
Reserves & Surplus	2,461	2,497	2,502
Total Liabilities	12,955	14,021	14,988

Magma Housing Finance Ltd. (MHFL) Standalone Profit & Loss Statement*

Particulars	Q4 FY20	Q3 FY20	Q4 FY19	FY20	FY19
Net Revenue	41	50	34	179	131
Expenses	24	26	26	101	82
Operating Profit	17	24	8	78	49
Net Credit Loss (Normal)	10	3	(1)	16	2
Additional provision - COVID-19	7	0	0	7	0
Profit Before Tax	(0)	21	9	54	47
Tax (Normal)	(2)	6	3	13	13
Opening DTL impact due to change in tax rates	(1)	0	0	(1)	0
Profit After Tax	3	15	6	43	34

* Re-formatted for better analysis
Values in Rs crore

Rewards & Recognition



Corporate Social Responsibility

Magma has received 14 awards since 2015 for the various CSR activities covering Education, Health and Environment Sustainability.

The latest recognition was received in Jan 2020 at IPE Best CSR Practice Awards'2020 – for Innovation in CSR – **Magma Highway Heroes**

Information Technology

- Excellence in Technological Innovation at BIG25 NBFC Excellence Awards'2019
- Thought Leaders of IT Award at the 8th BFSI IT Summit'2019

Corporate Communication

Magma has received 11 awards for Corporate Communications from leading forums. The recent ones are:

The latest recognition was received in November 2019 from **League of American Communications Professionals** (LACP) Spotlight Awards, for Annual Report Design



Community Commitment: Corporate Social Responsibility



Swayam – COVID-19 relief activity

- Dry ration and cooked meal to approx. 15000 families badly effected during COVID-19 pandemic. Most of the beneficiary belongs to daily wage earner community



Magma Highway Heroes



- Training provided to around 2 Lac Truck Drivers at around 300 camps across the country. PCRA is our official training partner in the activity
- Significant reduction in CO2 Emission and Diesel consumption YOY basis
- Medical camps & E-Toilets at Transport Nagars benefit approx. 70,000 Truck drivers per year

Mid Day meal, M-Education, Swayam Programmes

- **Mid-day Meal** offered to 6500 kids in Govt. Schools in 7 states (West Bengal, NCR, Maharashtra, Jharkhand, Andhra, Haryana and Rajasthan)
- Adopted 35 nos. of single teacher school in and around Chennai, TN
- Adopted 3 anganwadi at Alwar, Rajasthan. The center provides learning kits & meals to approx. 80 kids living in the nearby villages

Magma M- Scholar



- **Magma M Scholar** offers Scholarship to meritorious students from poor families
- In the last 5 years Magma has supported the academic aspiration of around 400 meritorious students from humble background
- Few students from 2015 & 2016 batch has completed their college and has received the job offers from prestigious corporate house



Magma M-Care – Mobile health Camps

- Magma runs M Care health camps at Rural India. More than 1 Lac people benefitted.
- We are planning to conduct 100 camps at COVID-19 effected areas in FY 21



Group level CSR activities are managed by Magma Foundation



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