

Magma Corporate Profile



Magma Fincorp Limited is one of the fastest growing retail asset finance company in India.

It has a well-diversified product portfolio comprising Commercial Vehicle Finance, Car & Utility Vehicle Finance, Construction Equipment Finance, Used Vehicle Finance (Suvidha), Strategic Construction Equipment Finance, Tractor Finance, SME Finance and Insurance (through third party arrangement).

The Company follows an excellent credit appraisal policy through well-laid processes, which helps to build up a quality asset base over the years.

With a vision to become India's Largest Retail Financing Company, Magma continues its customised services, striving towards excellence in retail financing, garnering prosperity and happiness to all.

Magma has implemented several initiatives directed towards building a strong financial institution with innovative processes and support structures in mission critical functions like people, technology, customer relationships, branding and internal control.

Milestones...

- 1989:** Magma Leasing Limited commenced operations
- 1992:** Merged with Arm Group Enterprises to strengthen its business
- 1996:** Entered retail financing business for vehicles and construction equipment
- 1998:** Expansion of retail financing operations in Orissa and Chhattisgarh, thus expansion of network in East India
- 1999:** Acquisition of Consortium Finance Ltd (CFL); expansion of network across 40 branches in North and East India
- 2001:** Strategic joint financing agreement with Citicorp
- 2003:** Strategic arrangement with ICICI Bank
- 2005:** Launched fee-based business - Insurance and Personal loan
- 2006:** Rolled out two new products - Used Vehicle Finance (Suvidha) & Strategic Construction Equipment
- 25 August 2006:** Magma Leasing and Shracchi Infrastructure merger announced; Magma also entered into a tie-up with Maruti Udyog Limited, the country's largest carmaker, to finance Maruti cars
- 2007:** Merger and integration of Magma Leasing and Shracchi Finance completed - pan-India footprint with 160 offices in 20 states and asset base of over Rs 6,400 crore
- August 2007:** Magma and International Tractors Limited (ITL) entered into a joint venture to form Magma ITL Finance Limited
- August 2008:** Underwent a major branding exercise, subsequent to which the company was renamed **Magma Fincorp Limited**
- 2009 :** Entered into a tie-up with Ashok Leyland for financing of commercial vehicles.
- 2009 :** Magma inks JV with German insurer HDI Gerling to enter general insurance business.
- 2009 :** Magma owns 7% stake in the newly formed Experian Credit Information Company of India Pvt Ltd, the Indian Credit Information Company (CIC) arm of the global information services company, Experian.
- 2010 :** Entered into a tie-up with Caterpillar India to finance the latter's entire range of construction and mining machines.

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Intellectual Capital



Human resource is the key to the success of any financial services company. Being a performance-driven, work-oriented organization, Magma has an eye for the best minds in the industry and has created a pool of employees from diverse backgrounds, with various skill sets and experiences. The Company has developed a robust performance measurement & evaluation system. Magma continuously undertakes noteworthy measures to chart a tangible career growth of its team members. The Company has been promoting people from within to take up the leadership positions to chart a long term career for the performers.

Expeditious Technology Infrastructure

Successful information management provides a critical competitive edge in the retail financing business: be it cross sell, customer sourcing, credit assessment, portfolio analysis, collection monitoring, or formulation of corporate strategy. Retail financing is also a process driven activity, which requires its various units to comply with pre-defined processes. Sound deployment of technology and its alignment with business strategy is an area where Magma constantly seeks to keep ahead of the competition.

Non-Performing Assets

Several initiatives are in place to improve portfolio quality and contain delinquency within manageable limits: physical verification by dedicated Field Investigation officers at the customer's place, strict compliance with credit processes, discipline in credit documentation for all contracts, verification of customers business and financial track record etc. are all directed at minimizing potential credit losses at the point of origination. Subsequently, during the collection process, the Company engages an experienced field force for bucket wise monitoring of collections and any chronic defaults are further dealt through appropriate legal actions.

Loyal Customers



Magma believes in sustainable partnerships and has always given priority to its customers' interest. Its financing solutions are tailor-made to the customer's business and his capacity to pay. Well defined retail consumer target audience has resulted in clear customer focus; transparent and standardised documentation has shrunk turnaround time; the large network of offices ensures prompt and efficient customer service; while continuous customer interaction and improved quality of customer service results in repeat transactions with customers.

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Strategic Partnerships

Magma protects the interest of its customers by financing products of only those manufacturers whose brands are synonymous with quality, longevity, service and value for money. Magma's entrenched rural presence and semi-urban penetration – 20% of its network is present in villages – make it a preferred partner for companies seeking a presence in these markets. The Company enjoys partnerships with various manufacturers across all three product segments:

- ❖ For passenger cars and utility vehicles, it has forged alliances with Maruti, Hyundai, Mahindra & Mahindra and General Motors;
- ❖ For commercial vehicles, it has partnered with almost all leading manufacturers like Tata Motors, Ashok Leyland, Eicher, Bajaj and Volvo India;
- ❖ In the construction equipment sector, Magma works closely with JCB and Telcon, which together have a dominant market share in the CE sector

Corporate Image Building

As Magma grows in size and scale, dissemination of knowledge about the Company and its activities is of benefit to all its stakeholders and the larger community it operates in. Corporate branding helps in identifying and aligning the Company's image with its vision and objectives. It also acts as a platform for the corporate to participate in and discharge its wider social responsibilities.



In this context, several initiatives are undertaken on a sustained basis like Customer outreach programs, Corporate advertising in business and trade publications, Corporate image building by maintaining personal relations with the media, Participation and sponsorship of corporate events, Corporate social responsibility activities across the country like health camp and eye check-up camp for truck drivers & helpers under the programme 'Better Health with Magma', Maintaining strong Investor Relations, Media campaign to highlight Magma's strength and brand equity and other activities.