

June Quarter, FY11

- * Income from Operations in Q1FY11 went up by 27.09% to Rs 163.54 crore, from Rs 128.68 crore in the corresponding quarter last year.
- * PAT for Q1FY11 went up by 61.37% to Rs 18.17 crore, against Rs 11.26 crore in Q1FY10.

Financial Highlights (Consolidated)

Particulars	(Rs in Crs)					
	Q1FY11	Q1FY10	% Chg	FY10	FY09	% Chg
Income from Operations	163.54	128.68	27.09%	656.59	574.69	14.25%
Other Operating Income	15.51	16.14	-3.90%	62.78	54.37	15.47%
Other Income	0.35	1.13	-69.03%	3.70	2.08	77.88%
Total Income	179.40	145.95	22.92%	723.07	631.14	14.57%
Total Expenditure	71.09	54.05	31.53%	254.77	247.83	2.80%
Staff Cost	31.91	23.75	34.36%	105.34	99.92	5.42%
Brokerage & Commission	15.91	10.69	48.83%	50.22	46.57	7.84%
Bad Debts Written Off	9.88	9.67	2.17%	40.83	41.51	-1.64%
Other Expenses	13.39	9.94	34.71%	58.38	59.83	-2.42%
PBIDTA Margins (%)	66.01	70.54	-	70.76	66.34	-
PBIDTA	108.31	91.90	17.86%	468.30	383.31	22.17%
Interest & Finance Charges	73.32	66.36	10.49%	325.05	288.03	12.85%
PBDT	34.99	25.54	37.00%	143.25	95.28	50.35%
Depreciation	7.28	8.49	-14.25%	32.79	34.24	-4.23%
PBT	27.71	17.05	62.52%	110.46	61.04	80.96%
Tax	9.54	5.79	64.77%	39.14	21.24	84.27%
PAT	18.17	11.26	61.37%	71.32	39.80	79.20%
Minority Interest after PAT	0.46	0.29	58.62%	1.26	0.18	600.00%
Adjusted PAT	17.71	10.97	61.44%	70.06	39.62	76.83%
Earnings Per Share (Rs.)	6.85	5.04	35.92%	32.17	18.19	76.83%

1. The disbursements for Q1FY11 grew 42% YoY to Rs 1047 crore, against the corresponding figure of Rs 735 crore in Q1FY10.
2. The Net Interest Margin (NIM) for Q1FY11 stood at an all time high of 5.7%, due to a greater share (16%) of high yield products viz. Used CV, Tractors and SME Loans in the portfolio.
3. The Return on Assets (RoA) for the company stood at 1.6% in Q1FY11, whereas RoA was at 1.2% in Q1FY10.

4. The collection efficiency of the company jumped to 101.6% in Q1FY11, vis-à-vis 98.8% in Q1FY10.
5. The CAR of Magma (post QIP) stood at a comfortable 17.8%, of which Tier I capital consists of 11.5%.
6. The company plans to open 25 more branches by CY2010, taking the total number of branches to over 180. The majority of new branches will be opened in semi urban and rural areas.
7. Strong growth in disbursements, higher share of high yield products in portfolio, presence in all over India and excellent operating efficiency kept the growth momentum of the company intact. We expect the company to continue its growth in future. For further details, please refer to our report on the company dated 13th April, 2010.

Brief Company Profile

Magma Fincorp Limited (formerly Magma Leasing Limited) is a Kolkata headquartered asset financing company. It was incorporated in 1988, and commenced operation in 1989. The company has a vast distribution network with more than 150 branches and a range of products and services that cater to the needs of both corporate and individuals.

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg, Thomson First Call & Investext Myiris, Moneycontrol, Tickerplant and ISI Securities

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