
Walker Chandiook & Co LLP

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Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Magma Housing Finance Limited

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of **Magma Housing Finance Limited** ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations, and
 - ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 7 of the accompanying Statement, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the appropriateness of impairment losses recognised towards the loan assets outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

Magma Housing Finance Limited
Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Magma Housing Finance Limited
Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The Statement includes the financial results for the half year ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited figures for the half year ended 30 September 2019, which were subject to limited review by us. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

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Manish Gujral
Partner
Membership No:105117

UDIN No:20105117AAAACF5579

Place: Mumbai
Date: 09 June 2020

MAGMA HOUSING FINANCE LIMITED
Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020

₹ in lacs

Particulars	Half Year Ended		Year Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Unaudited) Refer note 4	(Unaudited) Refer note 4	(Audited)	(Audited)
1. Revenue from operations				
(a) Interest income	16,421.94	12,286.43	30,553.18	22,342.04
(b) Fees and commission income	665.19	483.98	1,213.43	829.55
(c) Net gain on de-recognition of financial instruments	1,094.03	297.74	3,074.39	979.51
Total revenue from operations	18,181.16	13,068.15	34,841.00	24,151.10
(d) Other income	440.36	336.49	795.65	400.28
Total revenue	18,621.52	13,404.64	35,636.65	24,551.38
2. Expenses				
(a) Finance costs	9,528.18	6,353.43	17,668.95	11,334.26
(b) Net loss on fair value changes	232.08	104.81	225.13	118.82
(c) Impairment on financial instruments	1,856.89	(35.98)	2,174.26	173.10
(d) Employee benefits expense	3,360.50	2,825.80	6,997.57	5,099.81
(e) Depreciation and amortisation expense	60.54	16.77	110.62	30.76
(f) Other expenses	1,515.73	1,779.97	3,031.56	3,094.35
Total expenses	16,553.92	11,044.80	30,208.09	19,851.10
3. Profit before tax (1-2)	2,067.60	2,359.84	5,428.56	4,700.28
4. Tax expense				
(a) Current tax	(614.50)	(231.37)	494.15	868.32
(b) Deferred tax	813.36	952.92	669.57	430.45
5. Profit for the period/year (3-4)	1,868.74	1,638.29	4,264.84	3,401.51
6. Other comprehensive income				
(a) (i) Items that will not be reclassified to profit or loss	4.12	(30.68)	(1.01)	(19.78)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.05)	8.96	0.44	7.20
(b) (i) Items that will be reclassified to profit or loss	569.65	(1,344.34)	(653.63)	(931.31)
(ii) Income tax relating to items that will be reclassified to profit or loss	(213.70)	392.77	142.52	293.03
Total other comprehensive income	359.02	(973.29)	(511.68)	(650.86)
7. Total comprehensive income for the period/year (5+6)	2,227.76	665.00	3,753.16	2,750.65
8. Paid-up equity share capital (face value of ₹ 10/- each)	16,582.99	14,810.25	16,582.99	14,810.25
9. Earnings per share				
(a) Basic (in ₹)	1.25	1.11	2.87	2.30
(b) Diluted (in ₹)	1.23	1.08	2.82	2.27

MAGMA HOUSING FINANCE LIMITED
Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020

Balance Sheet as at 31 March 2020

		₹ in lacs	
Particulars		As at	As at
		31 March 2020 (Audited)	31 March 2019 (Audited)
A. ASSETS			
1. Financial Assets			
	(a) Cash and cash equivalents	110.49	357.18
	(b) Other Bank Balances	5,881.24	2,058.19
	(c) Loans	237,834.04	187,270.17
	(d) Other financial assets	7,866.21	5,435.25
	Total Financial Assets	251,691.98	195,120.79
2. Non-financial Assets			
	(a) Current tax assets (net)	579.16	17.89
	(b) Property, plant and equipment	126.28	70.73
	(c) Capital work-in-progress	-	31.05
	(d) Intangible assets under development	108.46	-
	(e) Other intangible assets	57.96	56.84
	(f) Right of use assets	449.27	-
	(g) Assets held for sale	364.71	-
	(h) Other non-financial assets	1,989.56	981.72
	Total Non-financial Assets	3,675.40	1,158.23
	Total Assets	255,367.38	196,279.02
B. LIABILITIES AND EQUITY			
Liabilities			
1. Financial Liabilities			
	(a) Payables		
	(I) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises		
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	539.21	478.94
	(II) Other Payables	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,339.94	973.85
	(b) Debt securities	5,491.93	13,661.94
	(c) Borrowings (Other than debt securities)	182,848.31	115,658.45
	(d) Subordinated Liabilities	9,939.18	9,928.48
	(e) Lease liability	486.15	-
	(f) Other financial liabilities	4,597.62	19,392.50
	Total Financial Liabilities	205,242.34	160,094.16
2. Non-Financial Liabilities			
	(a) Current tax liabilities (net)	-	95.71
	(b) Provisions	98.47	67.38
	(c) Deferred tax liabilities (net)	1,365.76	839.15
	(d) Other non-financial liabilities	602.37	1,096.62
	Total Non-Financial Liabilities	2,066.60	2,098.86
3. Equity			
	(a) Equity share capital	16,582.99	14,810.25
	(b) Other equity	31,475.45	19,275.75
	Total equity	48,058.44	34,086.00
	Total Liabilities and Equity	255,367.38	196,279.02

MAGMA HOUSING FINANCE LIMITED
Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020

Notes :

- 1] The above audited results have been reviewed by the Audit Committee and approved by the Board of Directors of Magma Housing Finance Limited ('the Company') at their respective meetings held on 09 June 2020.
- 2] The audited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as
- 3] The Statutory Auditors have audited the financial statements for the year ended 31 March 2020 and have issued an unqualified opinion thereon. The information presented above is extracted from the audited financial statements as stated.
- 4] The figures for the half-year ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures in respect of full financial year ended 31 March 2020 and 31 March 2019 respectively and the published half-year ended 30 September 2019 and 30 September 2018 respectively, which were subject to limited review by the statutory auditors.
- 5] During the half year ended 31 March 2020, the Company has allotted 17,727,353 equity shares of face value ₹ 10 each to Magma Fincorp Limited, its Holding Company, aggregating to ₹ 10,000 lacs, including premium of ₹ 46.41 per share under the Act, read with relevant rules thereunder and other applicable provisions. Consequent to the said allotment the total paid up equity share capital stands increased to 165,829,853 shares of ₹ 10 each aggregating to ₹ 16,582.99 lacs. The equity share issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.
- 6] During the half year ended 31 March 2020, the Nomination and Remuneration Committee of the Board has granted 690,000 options to the eligible employees at an exercise price of ₹ 36.66 per share under Magma Housing - Employee Stock Option Plan 2019.
- 7] COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in financial markets and decline in economic activities. The Company's business is expected to be impacted by lower lending opportunities and decline in collection efficiencies. The impact of Covid 19 on Company's result remain uncertain and dependent on extent of spread of Covid 19, steps taken by the Government and central bank to mitigate the economic impact, steps taken by the Company and the time it takes for economic activities to resume at normal levels as a result of which, actual results may differ. The Company's capital and liquidity position remains strong and would continue to be the focus area for the Company.
In accordance with the Reserve Bank of India ("the RBI") guidelines relating to COVID-19 Regulatory Package dated 27 March, 2020 and 17 April, 2020, the Company has granted moratorium upto 3 months on payment of all installments and/ or interest, as applicable, falling due between 1 March, 2020 and 31 May, 2020 to all the eligible borrowers as per the Company's policy. For all such loans where moratorium is granted, the Company has kept ageing of such loans and their asset classification standstill during the moratorium period. The Company is yet to assess the impact of the extension of the moratorium announced by the RBI on 22 May 2020.
The Company has recognized provisions as on 31 March 2020 towards its loan assets, based on the information available at this point of time including economic forecasts, in accordance with the expected credit loss method. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results. The Company has made an additional provision aggregating to ₹ 735.34 lacs towards potential impact of the pandemic during the half-year ended 31 March 2020. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 8] The Government of India vide the Taxation Laws (Amendment) Ordinance dated 20 September 2019 introduced a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The Company has opted for a reduced Maximum Marginal Tax Rate ("MMR") of 25.17% instead of 29.12% effective from year ended 31 March 2020. This has resulted in a one time write down of net deferred tax liability by ₹ 135.68 lacs.
- 9] Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on 1 April, 2019 using the modified retrospective approach. Accordingly, comparatives for the year ended 31 March, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the half-year and year ended 31 March 2020.
- 10] The Company is a "Large Corporate" as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144. Necessary disclosure has been made to the stock exchanges in this regard.
- 11] As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), debentures are secured by first charge ranking pari-passu with each other on the Company's book debts and loan instalment receivables along with mortgage created over the immovable property. The total asset cover is hundred percent or above of the principal amount of the said debentures.
- 12] The Company is primarily engaged in mortgage based finance and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Act.

By order of the Board
For Magma Housing Finance Limited

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Authentication
Date: Tue Jun 09 20:47:43 IST
2020

Manish Jaiswal
Managing Director & Chief Executive Officer
DIN: 07859441

Place : Mumbai
Date : 09 June 2020



MAGMA HOUSING FINANCE

Dated: 09 June, 2020

BSE Limited

Corporate Relationship Department
25th floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

(Company Code –10828)

Dear Sir/Madam,

Sub: Declaration In respect of unmodified opinion on Audited Financial Results for the financial year ended 31 March 2020

Ref: Regulations 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular CIR/CFD/CMD/56/2016 dated 27 May 2016 we hereby declare and confirm that the Statutory Auditors of the Company, M/s. Walker Chandiook & Co. LLP, Chartered Accountants, have issued unmodified audit report on Standalone Financial Results of the Company for the financial year ended 31 March 2020.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **Magma Housing Finance Limited**

eSigned using Aadhaar
(Leegality.com)
Manish Jaiswal
Date: Tue Jun 09 20:32:25 IST
2020

Manish Jaiswal
Managing Director & Chief Executive Officer
DIN: 07859441

Magma Housing Finance Limited

Regd. Office: Development House, 24 Park Street, Kolkata 700 016, Ph: 91 7596067686 / 91 33 44017350
Web : <http://www.magmahfc.co.in>, CIN : U65922WB2004PLC229849

Please Visit <https://ipg.magma.co.in> For Online Payment

**MAGMA HOUSING FINANCE****MAGMA HOUSING FINANCE LIMITED****Statement under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Year ended 31 March 2020**

Sl. No.	Particulars	As at 31 March 2020	
		Type of Instrument	Rating
a.	Credit rating and change in credit rating (if any)	Short Term Debt	CRISIL A1+
		Long Term Bank Facilities	CARE/ ICRA AA-
		Long Term Debt (Secured NCD)	CARE/ ICRA/ AA-
		Long Term Debt (Secured NCD)	BWR/ACUITE AA
		There has been no change in existing long term ratings in last six months but we had received a new long term rating from ACUITE which is 1 notch higher i.e. AA from existing long term ratings of AA- from other 2 rating agencies.	
b.	Asset cover available, in case of non convertible debt securities: Debentures are (except for 250 no's of debentures allotted in March 19 which are secured by exclusive first charge by way of hypothecation on the company's book debts and loan instalments receivables along with pari-passu mortgage created over the immovable property situated at Barasat, Dist - 24 Parganas (N) secured by first charge ranking pari-passu on the Company's book debts and loan instalments receivables along with mortgage created over the immovable property situated at Barasat, Dist - 24 Parganas (N). The total asset cover is hundred percent or above of the principal amount of the said debentures.		
c.	Debt-equity ratio (Total Debts / Shareholder's fund)	4.13	
d.	Previous due date for a) the payment of interest b) the repayment of principal of non convertible debt securities whether the same has been paid or not	As per Annexure	
e.	Next due date for a) the payment of interest b) the principal along with the amount of interest		
f.	Debt service coverage ratio	1.03	
g.	Interest service coverage ratio (Earning before interest and tax / Interest expense)	1.31	
h.	Debenture redemption reserve	Nil	
i.	Net worth (₹ in lacs)	48,058.44	
j.	Net profit after tax (₹ in lacs)	4,264.84	
k.	Earnings per share - Basic and diluted (in ₹)		
	(a) Basic (in ₹)	2.87	
	(b) Diluted (in ₹)	2.82	

Notes :

- 1] Securitization of Loan Assets (PTC Pools) for Rs 35,737 Lacs do not meet the de-recognition criteria under Ind AS and accordingly classified as borrowings in financials. As such, we have considered amount held for PTC pools in calculation of Debt/Equity ratio. The debt equity ratio excluding such borrowing would be 3.38

By order of the Board
For Magma Housing Finance Limited

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(Legality.com)
Manish Jaiswal
Date: Tue Jun 09 20:30:20 IST
2020

Manish Jaiswal

Managing Director & Chief Executive Officer

DIN: 07859441

Place : Mumbai
Date : 09 June 2020

Annexure

Details of payment of interest / principal of non convertible debentures

₹ In crores

S. No	Name of debenture holders	Date of Allotment	Last Interest payment date	Next Interest payment date	Last Principal Payment Date	Next Principal Payment Date	Principal Amount
1	BANK OF MAHARASHTRA	31-Mar-16	31-Mar-20	31-Mar-21	-	31-Mar-23	10.00
2	BANK OF INDIA	31-Mar-15	31-Mar-20	31-Mar-21	-	31-Mar-22	20.00
3	HDFC LIFE INSURANCE COMPANY LIMITED	29-Mar-19	30-Mar-20	29-Sep-20	-	29-Sep-20	25.00
	Total						55.00