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**Walker Chandiook & Co LLP**

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India

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## **Independent Auditor's Review Report on Unaudited Half-Yearly 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**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Magma Housing Finance Limited ('the Company') for the half year ended 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

# Walker Chandiok & Co LLP

## **Magma Housing Finance Limited Independent Auditor's Review Report on Unaudited Half-Yearly Financial Results of the Company for the period ended 30 September 2020 (cont'd)**

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5. We draw attention to Note 4 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 30 September 2020. Our conclusion is not modified in respect of this matter.

### **For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Vikram  
Dhanania**

Digitally signed by Vikram Dhanania  
DN: dc=IN, dc=WCGT, dc=DCDL,  
ou=Kolkata, ou=Director, cn=Vikram  
Dhanania,  
email=Vikram.Dhanania@IN.GT.COM  
Date: 2020.10.30 21:36:02 +05'30'

**Vikram Dhanania**

Partner

Membership No. 060568

UDIN: 20060568AAAAEC2875

**Place:** Kolkata

**Date:** 30 October 2020



MAGMA HOUSING FINANCE

MAGMA HOUSING FINANCE LIMITED

Statement of Unaudited Financial Results for the half year ended 30 September 2020

₹ in lacs

Particulars	Half Year Ended		Year Ended
	30 September 2020	30 September 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Audited)
1. <b>Revenue from operations</b>			
(a) Interest income	19,244.99	14,131.24	30,553.18
(b) Fees and commission income	311.78	548.24	1,213.43
(c) Net gain on fair value changes	-	6.95	-
(d) Net gain on de-recognition of financial instruments	-	1,980.36	3,074.39
<b>Total revenue from operations</b>	<b>19,556.77</b>	<b>16,666.79</b>	<b>34,841.00</b>
(e) Other income	119.89	355.29	795.65
<b>Total revenue</b>	<b>19,676.66</b>	<b>17,022.08</b>	<b>35,636.65</b>
2. <b>Expenses</b>			
(a) Finance costs	10,787.31	8,140.77	17,668.95
(b) Net loss on fair value changes	25.95	-	225.13
(c) Impairment on financial instruments	1,505.38	317.37	2,174.26
(d) Employee benefits expense	3,336.61	3,637.07	6,997.57
(e) Depreciation and amortisation expense	62.95	50.08	110.62
(f) Other expenses	1,175.59	1,515.83	3,031.56
<b>Total expenses</b>	<b>16,893.79</b>	<b>13,661.12</b>	<b>30,208.09</b>
3. <b>Profit before tax (1-2)</b>	2,782.87	3,360.96	5,428.56
4. <b>Tax expense</b>			
(a) Current tax	409.74	1,108.65	494.15
(b) Deferred tax	263.60	(143.79)	669.57
5. <b>Profit for the period/year (3-4)</b>	<b>2,109.53</b>	<b>2,396.10</b>	<b>4,264.84</b>
6. <b>Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss	12.35	(5.13)	(1.01)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(3.11)	1.49	0.44
(b) (i) Items that will be reclassified to profit or loss	38.05	(1,223.28)	(653.63)
(ii) Income tax relating to items that will be reclassified to profit or loss	(9.58)	356.22	142.52
<b>Total other comprehensive income</b>	<b>37.71</b>	<b>(870.70)</b>	<b>(511.68)</b>
7. <b>Total comprehensive income for the period/year (5+6)</b>	<b>2,147.24</b>	<b>1,525.40</b>	<b>3,753.16</b>
8. <b>Paid-up equity share capital (face value of ₹ 10/- each)</b>	16,582.99	14,810.25	16,582.99
9. <b>Earnings per share</b>			
(a) Basic (in ₹)	1.27	1.62	2.87
(b) Diluted (in ₹)	1.26	1.60	2.82



## MAGMA HOUSING FINANCE

## MAGMA HOUSING FINANCE LIMITED

## Statement of Unaudited Financial Results for the half year ended 30 September 2020

## Balance Sheet as at 30 September 2020

₹ in lacs

Particulars	As at	
	30 September 2020	31 March 2020
	(Unaudited)	(Audited)
<b>A. ASSETS</b>		
<b>1. Financial Assets</b>		
(a) Cash and cash equivalents	18,549.92	110.49
(b) Other bank balances	13,545.37	5,881.24
(c) Loans	268,140.17	237,834.04
(d) Other financial assets	7,647.85	7,866.21
<b>Total Financial Assets</b>	<b>307,883.31</b>	<b>251,691.98</b>
<b>2. Non-financial Assets</b>		
(a) Current tax assets (net)	494.60	579.16
(b) Property, plant and equipment	107.80	126.28
(c) Capital work-in-progress	-	-
(d) Intangible assets under development	140.45	108.46
(e) Other intangible assets	55.00	57.96
(f) Right of use assets	492.52	449.27
(g) Assets held for sale	296.54	364.71
(h) Other non-financial assets	1,063.50	1,989.56
<b>Total Non-financial Assets</b>	<b>2,650.41</b>	<b>3,675.40</b>
<b>Total Assets</b>	<b>310,533.72</b>	<b>255,367.38</b>
<b>B. LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>1. Financial Liabilities</b>		
(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	285.10	539.21
(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	1,410.47	1,339.94
(b) Debt securities	44,747.95	5,491.93
(c) Borrowings (Other than debt securities)	198,127.93	182,848.31
(d) Subordinated Liabilities	9,944.53	9,939.18
(e) Lease liability	525.94	486.15
(f) Other financial liabilities	2,427.46	4,597.62
<b>Total Financial Liabilities</b>	<b>257,469.38</b>	<b>205,242.34</b>
<b>2. Non-Financial Liabilities</b>		
(a) Provisions	130.40	98.47
(b) Deferred tax liabilities (net)	1,642.04	1,365.76
(c) Other non-financial liabilities	962.02	602.37
<b>Total Non-Financial Liabilities</b>	<b>2,734.46</b>	<b>2,066.60</b>
<b>3. Equity</b>		
(a) Equity share capital	16,582.99	16,582.99
(b) Other equity	33,746.89	31,475.45
<b>Total equity</b>	<b>50,329.88</b>	<b>48,058.44</b>
<b>Total Liabilities and Equity</b>	<b>310,533.72</b>	<b>255,367.38</b>



MAGMA HOUSING FINANCE

MAGMA HOUSING FINANCE LIMITED

Statement of Unaudited Financial Results for the half year ended 30 September 2020

**Notes :**

- 1] The above unaudited 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 30 October 2020.
- 2] The unaudited 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 amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3] The unaudited financial results have been subjected to limited review by the statutory auditors of the Company. The statutory auditors have expressed an unmodified conclusion on these financial results.
- 4] In accordance with the Board approved moratorium policy and the Reserve Bank of India guidelines relating to COVID-19 Regulatory Package dated March 27 2020, April 17 2020 and May 23 2020, the Company has offered moratorium on payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and August 31 2020 to all eligible borrowers as per the Company's policy. For all loans where moratorium was availed by the customers, the Company had kept ageing of such loans and their asset classification at standstill during the moratorium period.  
During the half year ended 30 September 2020, the Company has made provision of ₹ 1,095.99 lacs towards potential impact of COVID-19 pandemic resulting in consequent reduction of PBT by ₹ 1,095.99 lacs and PAT by ₹ 820.16 lacs. Further, the underlying forecasts and assumptions applied by the Company in determination of ECL provision (including additional provision) are subject to uncertainties which are often outside the control of the Company and accordingly, actual results may differ from these estimates.  
As at 30 September 2020, Company holds cumulative provision against the potential impact of COVID-19 to the tune of ₹ 1,832.03 lacs. The Company has made these provisions on the basis of management judgement of expected losses on its loan portfolio. Any potential excess/ shortfall based on actual experience will be adjusted in the relevant period in future.  
The Company has been duly servicing its debt obligations. The Company's Management believes that Capital Adequacy and Liquidity position remains strong and shall continue to be an area of focus.
- 5] The Hon'ble Supreme Court of India through an interim order dated 3 September 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders, Basis the said interim order, the Company has not classified any account as NPA, as per NHB norms, after 31 August 2020 which was not NPA as of 31 August 2020. The Company continues to hold provisions towards such borrower accounts, as if these accounts were classified as impaired (Stage 3) as per the Ind AS 109 as at 30 September 2020. The Company has made additional provisions towards such borrower accounts at rates applicable to Stage 3 cases as per the Ind AS 109 as at 30 September 2020.
- 6] 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.
- 7] 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.
- 8] The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme ("the Scheme") for grant of ex-gratia payment being difference between compounded interest and simple interest for six months period from 01.03.2020 to 31.08.2020 to eligible borrowers as per the Scheme. The management is in the process of implementing the Scheme and it does not foresee any impact on the financial results.

Place : Mumbai  
Date : 30 October 2020

By order of the Board  
For Magma Housing Finance Limited  
**Manish Jaiswal**  
Digitally signed by  
Manish Jaiswal  
Date: 2020.10.30  
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**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
DIN: 07859441

MAGMA HOUSING FINANCE LIMITED  
Registered Office : Development House, 24, Park street, Kolkata - 700016  
CIN : U65922WB2004PLC229849 ; Website : <http://www.magmahf.co.in>

**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 half Year ended 30 September 2020**

Sl. No.	Particulars	As at 30 September 2020	
		Type of Instrument	Rating
a.	Credit rating and change in credit rating (if any)	Short Term Debt Long Term Bank Facilities Long Term Debt (Secured NCD)	CRISIL A1+ CARE/ ICRA AA- CARE/ BWR/ AA-
		The following changes took place in rating in 6 months: • CARE revised its outlook on long term ratings from Stable to Negative in April 2020( Revised Ratings AA-/Negative ) • BWR has downgraded its rating from AA to AA- and revised outlook to negative in July 2020.	
b.	Asset cover available, in case of non convertible debt securities: Debentures are 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, District - 24 Parganas (N). The total asset cover is hundred percent or above of the principal amount of the said debentures. Debentures allotted in FY21 are secured by exclusive charge by way of hypothecation on the company's book debts and loan instalments receivables. 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)		5.02
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		0.59
g.	Interest service coverage ratio (Earning before interest and tax / Interest expense)		1.26
h.	Debenture redemption reserve		Nil
i.	Net worth (₹ in lacs)		50,329.88
j.	Net profit after tax (₹ in lacs)		2,109.53
k.	Earnings per share - Basic and diluted (in ₹)		
	(a) Basic (in ₹)		1.27
	(b) Diluted (in ₹)		1.26

**Notes :**

- 1] Securitization of Loan Assets (PTC Pools) for ₹ 32,890.44 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 4.37

Place : Mumbai  
Date : 30 October 2020

By order of the Board  
For **Magma Housing Finance Limited**  
**Manish Jaiswal**  
Digitally signed by  
Manish Jaiswal  
Date: 2020.10.30  
20:51:36 +05'30'

**Manish Jaiswal**  
Managing Director & Chief Executive Officer  
DIN: 07859441

**Annexure**

**Details of payment of interest / principal of non convertible debentures**

*₹ In crores*

<b>S. No</b>	<b>Name of debenture holders</b>	<b>Date of Allotment</b>	<b>Last Interest payment date</b>	<b>Next Interest payment date</b>	<b>Last Principal Payment Date</b>	<b>Next Principal Payment Date</b>	<b>Principal Amount</b>
1	PUNJAB NATIONAL BANK	26-Jun-20	-	28-Jun-21	-	26-Jun-23	50.00
2	UNION BANK OF INDIA	26-Jun-20	-	28-Jun-21	-	26-Jun-23	75.00
3	STATE BANK OF INDIA	06-Jul-20	-	06-Jan-21	-	21-Apr-23	75.00
4	STATE BANK OF INDIA	31-Jul-20	-	06-Jan-21	-	21-Apr-23	20.00
5	INDIAN BANK#	31-Jul-20	-	31-Jul-21	-	31-Jul-23	50.00
6	STATE BANK OF INDIA	18-Aug-20	-	18-Aug-21	-	18-Feb-22	140.00
<b>Total</b>							<b>410.00</b>

#The payment will be made on 2nd August 21 as per the Information Memorandum(IM). As per the IM, if the interest payment date falls on a day which is not a business day, then the payment shall be made on the next day.