



CIN : L65100DL1994PLC061287

Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

Date: 12.02.2025

Letter No. FFL/SEC/2024-25/SE-144

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: FUSION	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652
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Sub: Outcome of Board Meeting, Financial Results & Press Release for the Quarter and Nine Months period ended December 31, 2024.

Dear Sir/Ma'am,

Pursuant to Regulation 30, Regulation 33 read with Schedule III and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company in its meeting held on Wednesday, February 12, 2025 has, inter-alia, approved the Unaudited Financial Results of the Company for the Quarter and Nine Months period ended on December 31, 2024 and taken on record the Limited Review Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company. The aforesaid Board Meeting started at 02:30 PM (IST) and concluded at 6:50 PM (IST).

A copy of the aforesaid Financial Results is enclosed herewith along with the Limited Review Report and Press Release. The same is also available on the website of the Company i.e. www.fusionfin.com.

Further, the Trading Window of the Company, which was closed w.e.f. January 01, 2025, shall open on February 17, 2025 i.e. after the end of 48 hours from the declaration of financial results for the Quarter and Nine months period ended December 31, 2024.

Kindly take the same on your record.

**For Fusion Finance Limited
(Formerly Fusion Micro Finance Limited)**

**Deepak Madaan
Company Secretary & Chief Compliance Officer
Membership No. A24811
Place: Gurugram**

Fusion Finance Limited
Financial Results for Q3 & 9M FY25

Fusion's AUM stands at INR 10,599 Crore in Q3 FY25

Early green shoots visible; Credit cost lowers QoQ

Delhi, 12th February 2025: Fusion Finance Limited (formerly Fusion Micro Finance Limited) [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its unaudited and limited reviewed financial performance for the third quarter of the financial year 2024-25.

Operational & Business Highlights: Q3 FY25

- AUM stands at INR 10,599 cr in Q3 FY25 as compared to INR 10,693 cr in Q3 FY24
- Disbursements stand at INR 1,168 cr in Q3 FY25
- Borrower base stands at 36.6 lakh~
- Current portfolio Collection Efficiency stands at 97.7% in Dec'24 higher than 96.1% in Q2FY25

Financial Highlights: Q3 FY25

- Total income stands at INR 483 cr in Q3 FY25 vs INR 613 cr in Q3 FY24
- Net interest income (NII) for Q3 FY25 is INR 223 cr as compared to INR 337 cr in Q3 FY24
- Net Interest Margin (NIM) at 8.86% in Q3 FY25
- Cost of Fund reduces to 10.28% in Q3 FY25 from 10.37% in Q3 FY24
- Pre-provision Operating Profit at INR 65 cr in Q3 FY25
- Loss After Tax of INR 719 cr in Q3 FY25; Higher loss is owing to reversal of net deferred tax assets (DTA) till date and enhanced provision coverage across all stages
- Gross NPA stands at 12.58%; Net NPA at 1.71%
- Credit cost at 5.8% in Q3 FY25 vs 6.5% in Q2FY25
- Healthy capital adequacy position with CRAR of 22.20%
- Robust liquidity of INR 1,151 cr aggregate of cash and cash equivalents and liquid assets, amounting to 12.26 % of the total assets

Commenting on the Q3FY25 results, **Mr. Devesh Sachdev, MD & CEO, Fusion Finance Limited said**, *“Our proactive actions in Q2 and tightened underwriting norms are showing positive trends across various parameters, including current portfolio’s collection efficiency, flow rates and net PAR accretion, among others. As guided, our provisioning for Q3 is lower than Q2 despite increase in provision coverage ratio. This quarter, we have reversed all net deferred tax assets (DTA) till date which has impacted our profitability. Otherwise, at a normalize tax rate, we would have witnessed lower loss of around Rs 380 crore, with standard corporate tax rate applied on the PBT. Importantly, there is no material effect on our CRAR and cash flows.*

Demonstrating continued confidence from our lenders, we have successfully secured waivers from the majority of them for covenant breaches identified during last quarter. We remain engaged with the few remaining lenders and are confident that there will be no demand for immediate repayment of borrowed funds. With our Rs. 800 Cr rights issue progressing as planned and a robust CRAR of 22.20%, our capital position remains strong.

With evolving industry dynamics and customer behaviour we remain confident in our approach to navigate these changes and continue to remain transparent and agile in our strategy and actions.”

Financial Snapshot: Q3 & 9M FY25

(₹ In cr)

Particulars	Q3 FY25	Q3 FY24	YoY	Q2 FY25	QoQ	9M FY25	9M FY24	YoY
Interest Income	438.18	540.04	(18.86%)	626.08	(30.01%)	1,685.54	1,515.84	11.20%
Total Income	482.51	613.24	(21.32%)	703.71	(31.43%)	1,892.90	1,737.28	8.96%
Finance Cost	213.67	201.46	6.06%	227.36	(6.02%)	664.44	575.95	15.36%
Profit/(loss) Before Tax	(507.52)	166.50	-	(410.21)	-	(968.45)	491.55	-
Profit/(loss) After Tax	(719.32)	126.45	-	(305.04)	-	(1,059.98)	372.60	-
EPS (Basic) (₹)	(71.46)	12.58		(30.31)		(105.32)	37.10	
EPS (Diluted) (₹)	(71.46)	12.51		(30.31)		(105.32)	36.88	

Key Metrics: Q3 & 9M FY25

(₹ In cr)

Particulars	Q3 FY25	Q3 FY24	YoY	Q2 FY25	QoQ	9M FY25	9M FY24	YoY
AUM	10,599.37	10,693.42	(0.88%)	11,571.15	(8.40%)	10,599.37	10,693.42	(0.88%)
Borrowers	0.366	0.378	(3.17%)	0.385	(4.94%)	0.366	0.378	(3.17%)
Number of Branches	1506	1242	21.26%	1463	2.94%	1506	1242	21.26%
Net Interest Income (NII)	223.35	337.21	(33.77%)	397.29	(43.78%)	1,017.19	935.82	8.70%
Pre-Provision Operating Profit (PPOP)	64.77	260.26	(75.11%)	283.84	(77.18%)	646.36	737.44	(12.35%)
Key Ratios								
Net Interest Margin (NIM)	8.86%	11.54%	(23.22%)	11.48%	(22.82%)	10.66%	11.10%	(3.96%)
Cost/Income Ratio	75.91%	36.80%	106.28%	40.41%	87.85%	47.38%	36.50%	29.81%
Opex/Average AUM	7.36%	5.85%	25.81%	6.48%	13.58%	7.03%	5.65%	24.42%
Gross NPA	12.58%	3.04%	313.82%	9.41%	33.69%	12.58%	3.04%	313.82%
Expected Credit Loss (ECL)	1,550.68	311.85	397.25%	1,140.62	35.95%	1,550.68	311.85	397.25%
Return on Assets (ROA) (Annualised)	(27.58%)	4.71%	-	(10.28%)		(13.36%)	4.87%	-
Return on Equity (ROE) (Annualised)	(132.93%)	19.14%	-	(45.69%)		(60.73%)	19.75%	-

About Fusion Finance Limited (Formerly Fusion Micro Finance Limited):

Fusion Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)], founded in 2010, is amongst India's leading Non-banking Financial Company-Microfinance Institutions (NBFC-MFIs), touching the lives of ~ 36.6 Lakh clients in the country. Fusion was established with the core idea of creating opportunities at the bottom of the pyramid by providing financial services to the underserved and unserved women entrepreneurs in rural areas. It is one of the youngest companies to be among the top NBFC MFIs in the country with an Asset under Management (AUM) of INR 10,599 crore. The company has been growing consistently with an extensive network of 1,506 branches spread across 22 states including 3 Union Territories, as of 31st December 2024. Fusion believes in robust business practices and transparent policies as expressed in its customer-centric efforts toward clients and is committed to creating sustained and balanced stakeholder value.

For more information, please visit www.fusionfin.com or contact:

Fusion Finance Limited Ms. Pooja Chauhan (Head - Corporate Communications) Email: Pooja.chauhan@fusionfin.com	Adfactors PR Pvt Ltd Ms. Maimuna Dhorajiwala (Public Relations) Email: maimuna.dhorajiwala@adfactorspr.com Mr. Smit Shah (Investor Relations) Email: smit.shah@adfactorspr.com
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF FUSION FINANCE LIMITED (Formerly known as FUSION MICRO FINANCE LIMITED)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Fusion Finance Limited (Formerly known as Fusion Micro Finance Limited) ("the Company"), for the quarter ended and nine months ended December 31, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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. As stated in Note 6 to the Statement, the Company has not evaluated whether any of the expected credit allowances recognised in the quarter and nine months ended 31 December 2024 should be retrospectively adjusted to the previously reported amounts in any of the prior period presented because of impracticability as described in Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. In the absence of sufficient and appropriate evidence, we are unable to comment on the Company's basis of impracticability to evaluate and determine whether any retrospective adjustment should have been made to previously reported amounts in any of the prior period presented.
5. Based on our review conducted as stated in paragraph 3 above except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 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.

6. We draw attention to Note 7 to the Statement which describes the material uncertainty in relation to the going concern assumption used in the preparation of the Statement. This condition and other matters stated in the Note indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.



For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 01525N)

A handwritten signature in black ink that reads "Jitendra Agarwal".

Jitendra Agarwal
Partner
Membership No. 87104
(UDIN: 25087104BMJGTT8401)

Gurugram
February 12, 2025

Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)
CIN: L65100DL1994PLC061287
Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028
Statement of Financial results for the quarter and nine months ended December 31, 2024

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income	438.18	626.08	540.04	1,685.54	1,515.84	2,091.90
Fees and commission income	2.66	4.42	7.59	14.10	32.18	41.67
Net gain on fair value changes	24.81	22.20	12.61	64.90	35.23	52.86
Net gain on derecognition of financial instruments under amortised cost category	8.16	38.85	32.79	89.14	87.49	130.30
Total revenue from operations	473.81	691.55	593.03	1,853.68	1,670.74	2,316.73
Other income	8.70	12.16	20.21	39.22	66.54	95.69
Total income	482.51	703.71	613.24	1,892.90	1,737.28	2,412.42
Expenses						
Finance costs	213.67	227.36	201.46	664.44	575.95	790.83
Impairment on financial instruments	572.29	694.05	93.76	1,614.81	245.89	364.86
Employee benefit expense	151.17	140.47	111.87	427.04	308.99	431.22
Depreciation and amortization expense	3.20	2.85	2.38	8.41	6.23	9.01
Other expenses	49.70	49.19	37.27	146.65	108.67	153.24
Total expenses	990.03	1,113.92	446.74	2,861.35	1,245.73	1,749.16
Profit/(loss) before tax for the period/year	(507.52)	(410.21)	166.50	(968.45)	491.55	663.26
Tax expense/(credit):						
Current tax	(69.20)	9.49	42.79	-	126.88	172.30
Deferred tax	281.00	(114.66)	(2.74)	91.53	(7.93)	(14.33)
Income tax expense	211.80	(105.17)	40.05	91.53	118.95	157.97
Profit/(loss) after tax for the period/year	(719.32)	(305.04)	126.45	(1,059.98)	372.60	505.29
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement gains on defined benefit plans	(0.03)	0.60	0.11	1.88	1.29	1.64
Income tax effect	0.48	(0.15)	(0.02)	-	(0.32)	(0.41)
Total other comprehensive income	0.45	0.45	0.09	1.88	0.97	1.23
Total comprehensive income for the period/year	(718.87)	(304.59)	126.54	(1,058.10)	373.57	506.52
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.65	100.65	100.53	100.65	100.53	100.62
Other Equity						2,747.53
Earnings per share (equity share, par value of ₹ 10 each)						
Computed on the basis of total profit/(loss) for the period/year						
Basic earnings per share (BEPS) # (₹)	(71.46)	(30.31)	12.58	(105.32)	37.10	50.30
Diluted earnings per share (DEPS) # (₹)	(71.46)	(30.31)	12.51	(105.32)	36.88	50.11

#BEPS and DEPS for the quarter and nine months ended periods are not annualised

For and on behalf of the Board of Directors of
Fusion Finance Limited

Devesh Sachdev
Managing Director and CEO

Place: Gurugram
Date: February 12, 2025



Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)

(CIN: L65100DL1994PLC061287)

Registered office address: H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028

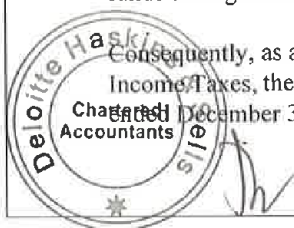
Financial results for the quarter and nine months ended December 31, 2024

1. The financial results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors of Fusion Finance Limited (formerly known as Fusion Micro Finance Limited) ("the Company") in their meeting held on February 12, 2025. The Company has prepared these financial results in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015") and the accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and relevant provisions of the Companies Act, 2013, as applicable. The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statement for the year ended March 31, 2024. The limited review of financial results for the quarter and nine months ended December 31, 2024, have been conducted by the Statutory Auditors of the Company.
2. The Company operates in a single business segment i.e., lending to borrowers, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographic segment i.e., domestic.
3. During the quarter ended December 31, 2024, the Company has increased its Authorised Share Capital to ₹ 200.00 crore (20,00,00,000 shares @ 10 each) from ₹ 105.00 crore (10,50,00,000 shares @ 10 each) by passing the resolution in the Extra Ordinary General Meeting of the members held on October 30, 2024.
4. (i) The Company, during the quarter and nine months ended December 31, 2024, has granted 2,58,500 and 4,20,700 stock options to the employees respectively, in accordance with the Company's Employee Stock Option Scheme(s).

(ii) The Company, during the quarter and nine months ended December 31, 2024, has issued Nil and 33,700 number of equity shares, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
5. The Company had created liability for IPO (Initial Public Offer) related expenses amounting to ₹ 56.37 crore during the year ended March 31, 2023. This comprises the Company's share of ₹ 30.64 crore and Selling Shareholder's share of ₹ 25.73 crore. Of the above liability, the Company had incurred ₹ 51.47 crore and the remaining amount of ₹ 4.90 crore has been allocated to the Company and selling shareholders proportionately. The Company's share has been utilized towards disbursement of loan to customers during the quarter ended December 31, 2024.
6. During the quarter and nine months ended December 31, 2024, the Company recorded an allowance for Expected Credit Loss ("ECL"), in respect of loans given, of ₹ 570.92 crore and ₹ 1,611.84 crore respectively, with a corresponding charge to the Statement of Profit and Loss in these periods, consequent to a significant increase in credit risk evidenced by slowing and delayed collections. In preparing this statement, the Company has not evaluated whether any of these allowance should have been recognized in any of the prior period presented because of limitations in objectively determining information relating to assumptions and circumstances as it existed in those prior periods. As a result, the Company has concluded that it was impracticable to evaluate and determine any amounts for retrospective recognition and measurement in those prior periods.
7. The Statement for the quarter and nine months ended December 31, 2024 has been prepared on a going concern basis. As at December 31, 2024, the Company had breached various financial covenants (in respect of borrowings amounting to ₹ 5,288 crores as at December 31, 2024) resulting in these borrowings becoming repayable on demand. The Company has obtained extension, albeit of less than 12 months from testing date for said breaches from lenders whose borrowings as of December 31, 2024 aggregate ₹ 4,145 crores. As a result, no demand for immediate repayment is anticipated until the extended date from these lenders. The Company is in discussion with the remaining lenders to obtain similar extensions and no demand for immediate repayment of borrowed fund is made by lenders to date. Additionally, the Company holds Cash and Cash equivalents and liquid assets aggregating ₹ 1,151 crores in as at December 31, 2024.

The Company's ability to continue as a going concern is dependent on obtaining waivers from demand by lenders for immediate repayment of borrowings for a period of at least twelve months from the balance sheet; and / or securing sufficient funds through other sources such as (i) successful sale of loans; (ii) rights issue and (iii) refinancing of borrowings.

Consequently, as a matter of prudence and in compliance with the requirements of Indian Accounting Standard (Ind AS) 12 Income Taxes, the net deferred tax asset carried at ₹ 280 crore as of September 30, 2024, has been reversed during the quarter ended December 31, 2024.



8. Details of loans transferred/acquired during the quarter ended December 31, 2024, under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

(i) Details of loans not in default transferred through assignment:

(₹ in crore unless otherwise stated)

Particulars	Transferred (MFI loans)
Number of loans	29,793
Aggregate amount of loans (including retention)	105.76
Sale Consideration of loans (excluding retention)	95.18
Number of transactions	1
Weighted average in maturity (in months)	17.40
Weighted average holding period (in months)	8.46
Retention of beneficial economic interest by the originator	10.00%
Tangible security cover	-
Rated wise distribution of rated loans	Not applicable
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-
Number of transferred loans replaced	-

(ii) The Company has not transferred any non-performing assets (NPAs).

(iii) The Company has not acquired any loans through assignment.

(iv) The Company has not acquired any stressed loan.

9. Disclosure of Liquidity Risk Management as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

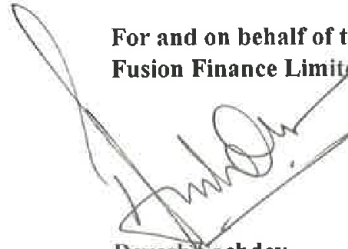
(₹ in crore unless otherwise stated)

Particulars	For the quarter ended December 31, 2024	
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)	-	513.39
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	-	-
5 Additional requirements, of which		
(i) Outflows related to derivative exposures and other collateral requirements	-	-
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	-	-
6 Other contractual funding obligations	697.28	801.87
Total Cash Outflows	697.28	801.87
Cash Inflows		
7 Secured lending	-	-
8 Inflows from fully performing exposures	-	-
9 Other cash inflows	851.72	638.79
Total Cash Inflows	851.72	638.79
		Total Adjusted Value
Total HQLA		513.39
Total net cash outflows		200.47
Liquidity Coverage ratio (%)		256.10%
Following assets formed part of HQLA		
Assets		
Cash on hand		6.74
Balances with banks – Current Accounts		506.65
Total		513.39



10. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will assess the impact of the Code when it comes into effect and the rules are framed. The Company will record any related impact in the period the Code becomes effective.
11. The above financial results are available on the stock exchange website's i.e., National Stock Exchange (www.nseindia.com) and BSE Limited (www.bseindia.com) and can be accessed on the website of the Company (www.fusionfin.com).

**For and on behalf of the Board of Directors of
Fusion Finance Limited**



**Devesh Sachdev
Managing Director & CEO**

**Place: Gurugram
Date: February 12, 2025**

