

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Auditor's report on Half yearly financial results of Fusion Micro Finance Private Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**The Board of Directors of
Fusion Micro Finance Private Limited**

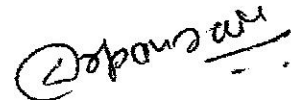
1. We have audited the half yearly financial results of Fusion Micro Finance Private Limited ('the Company') for the half year ended 30 September 2018 (the 'Financial Results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
2. These Financial Results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and has been approved by the Board of Directors at its meeting held on 14 November 2018. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared and presented in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters and in compliance with Regulation 52 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

8

Independent Auditor's report on Half yearly financial results of Fusion Micro Finance Private Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

4. Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, the Financial Results:
- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations; and
 - (ii) give a true and fair view of the net profit and other financial information for the half year ended 30 September 2018.

for B S R & Associates LLP
Chartered Accountants
Firm's Registration Number: 116231W/W-100024



Arpan Jain
Partner
Membership No: 125710

Place: New Delhi
Date: 14 November 2018

Fusion Micro Finance Private Limited
CIN: 1165100DH1994PTC061287
Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028
Statement of audited financial results for the half year ended 30 September 2018

(Rs in lakhs)

Particulars	For the half year ended 30 September 2018	For the half year ended 30 September 2017	For the year ended 31 March 2018
	Audited	Un-audited	Audited
Revenue			
Revenue from operations	21,469.03	10,111.79	25,451.95
Other income	893.49	857.96	1,279.32
Total revenue (A)	22,362.52	10,969.75	26,731.27
Expenses			
Operating expenses	909.72	5,239.06	9,449.60
Employee benefits expense	4,724.15	3,014.66	6,610.08
Finance costs	10,573.67	6,341.30	13,660.24
Depreciation and amortisation	103.20	91.63	204.67
Other expenses	1,338.10	929.96	2,167.77
Total expenses (B)	17,698.84	15,616.67	32,091.75
Profit/(Loss) before tax (C= (A-B))	4,663.68	(4,646.92)	(5,360.48)
Tax expenses: (D)			
- Current tax	267.90	69.31	
- Deferred tax	1,025.10	(1,749.48)	(1,419.14)
Profit/(Loss) after tax (C-D)	3,370.68	(2,966.75)	(3,941.35)
Earning per equity share*			
(Nominal value per share Rs. 10)			
- Basic	8.14	(8.70)	(11.09)
- Diluted	7.81	(8.70)#	(11.09)#
Other disclosures			
Debt Equity Ratio	6.54	4.97	6.23
Net profit after tax	3,370.68	(2,966.75)	(3,941.35)
Net worth	29,113.68	19,258.40	25,769.51

* Not annualised

The outstanding potential equity shares has an anti-dilutive effect on EPS for the year ended 31 March 2018 and half year ended 30 September 2017. Hence, basic earnings per share equals diluted earnings per share.

Notes to the financial results:

- The above results were duly reviewed by the Audit Committee and approved by Board of Directors of the Company at their meeting held on 14 November 2018.
- The statutory auditors have carried out audit of the half yearly financial results of the Company for the period ended 30 September 2018.
- The Company is primarily engaged in the business of Micro Finance in India. All the activities of the Company revolve around the main business. As such there are no separate reportable segments as per Accounting Standard (AS)-17 "Segment Reporting".
- Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the Management are given in Annexure A.
- Subsequent to the period ended 30 September 2018, the Company has converted 3,000,000 Optionally Convertible Preference Shares into 623,093 equity shares of Rs. 10 each.
- Previous year's/period's figures have been regrouped /reclassified, where necessary to conform current period's classification.



for and on behalf of the Board of Directors of
Fusion Micro Finance Private Limited
CIN: 1165100DH1994PTC061287

Devesh Sachdev
Director & CEO
DIN: 02547111

Place: New Delhi
Date: 14 November 2018

Fusion Micro Finance Private Limited

CIN: U65100DL1994PTC061287

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

Balance Sheet as at 30 September 2018

(Rs in lakhs)

Particulars	As at 30 September 2018 Audited	As at 31 March 2018 Audited
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	4,429.43	4,418.27
Reserves and surplus	24,684.25	21,331.26
	29,113.68	25,769.53
Non-current liabilities		
Long-term borrowings	109,000.35	100,248.61
Long-term provisions	230.98	169.69
	109,231.33	100,418.30
Current liabilities		
Short term borrowings	11,042.88	12,081.76
Other current liabilities	76,967.54	53,305.62
Short-term provisions	3,059.38	5,270.93
	91,069.80	70,658.31
Total	229,414.81	196,846.14
ASSETS		
Non-current assets		
Property, plant and equipment	504.66	472.49
Intangible assets	22.64	23.92
Deferred tax assets, net	1,484.22	2,509.32
Loan portfolio	50,071.71	43,919.35
Long-term loans and advances	300.24	300.30
Other non-current assets	8,184.50	7,499.95
	60,567.97	54,725.33
Current assets		
Current investments	50.00	50.00
Trade receivables	3.66	47.97
Cash and bank balances	31,747.34	50,583.28
Loan portfolio	132,405.99	88,349.58
Short-term loans and advances	1,934.74	1,206.00
Other current assets	2,705.11	1,883.98
	168,846.84	142,120.81
Total	229,414.81	196,846.14



for and on behalf of the Board of Directors of
Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287

(Signature)
Naraina
Devesh Sachdev
Director & CEO
DIN: 02547111

Place: New Delhi
Date: 14 November 2018

Annexure A

Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30 September 2018

1. Credit Rating:

Facility	Current rating	Previous rating
MFI Grading	MFI 1	MFI 2+
Long term bank facility	CARE BBB+	CARE BBB+
Non-convertible debentures (other than below)	ICRA BBB+	ICRA BDD
Other Non-convertible debenture	CARE BBB+	CARE BBB+

2. Debt - Equity Ratio of the Company as on 30 September 2018 is 6.54 and on 31 March 2018 is 6.23

3. The previous and next due date for the payment of interest / principal amount for debenture and the actual date of payment for the half year ended September 30 2018 are as under: All interest and principal payments have been made on the due date.

S.No.	Series Name	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	Blue Orchard (Microfinance Initiative for Asia)	-	16-Jun-18	16-Dec-18	16-Dec-18
2	IFMR Fim pact Investment Fund	-	29-Sep-18	18-Dec-20	30-Dec-18
3	Blue Orchard (Microfinance Enhancement	30-Apr-18	30-Apr-18	-	-
4	Blue Orchard (Microfinance Enhancement	-	-	7-Aug-21	7-Feb-19
5	Pettelaar Effectenbewaarbedrijf N.V. (T1)	-	15-May-18	16-May-22	15-Nov-18
6	AAV Sarl-Symboitic I	13-Aug-18	13-Aug-18	-	-
7	AAV Sarl-Symboitic II	-	13-May-18	13-Jul-19	13-Nov-18
8	AAV Sarl-Symboitic III	-	13-Sep-18	15-Mar-21	13-Mar-19
9	AAV Sarl-Symboitic IV	-	-	22-Oct-21	13-May-19
10	Blue Orchard (Microfinance Fund)	-	31-Aug-18	31-Aug-21	28-Feb-19
11	Blue Orchard (Microfinance Fund-2)	-	-	7-Aug-21	7-Feb-19
12	UTI International Wealth Creator 4	-	15-Sep-18	15-Sep-25	15-Mar-19
13	IFMR Fim pact Long Term Credit Fund	-	29-Sep-18	30-Mar-23	30-Dec-18
14	IFMR Fim pact Medium Term Opportunities	-	29-Sep-18	30-Mar-23	30-Dec-18
15	CPP-Incofin	-	7-Jul-18	7-Jul-20	7-Oct-18
16	CBSO-Incofin	-	-	27-Sep-21	27-Mar-19
17	Hinduja Leyland Finance Limited	31-Aug-18	31-Aug-18	28-Feb-19	30-Nov-18
18	IFMR Fim pact Income Builder Fund	-	-	2-Sep-21	2-Sep-21
19	Triodos Microfinance Fund	-	16-Sep-18	16-Mar-24	16-Mar-19
20	Triodos Fair Share Fund	-	16-Sep-18	16-Mar-24	16-Mar-19
21	Karvy Capital Limited	-	3-Sep-18	29-Sep-23	1-Oct-18
22	Northern ARC Capital Limited	-	3-Sep-18	29-Sep-23	1-Oct-18

4. Debenture Redemption Reserve (DRR): The Company, being an NBFC, is not required to create DRR in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.

5. Net worth: Rs. 29,113.68 Lakhs

6. Net Profit After Tax: Rs. 3,370.68 Lakhs

7. Earning per share: Rs. 8.14 per share (Not annualised)

