



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

CIN : L65100DL1994PLC061287

Date: 06.05.2024

Letter No. FMFL/SEC/2024-25/SE-12

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	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001
Scrip Code: FUSION	Scrip Code: 543652

Sub: Outcome of Board Meeting, Financial Results & Press Release for Quarter and Financial Year ended March 31, 2024

Dear Sir/Ma'am,

Pursuant to Regulation 30, Regulation 33, Regulation 52 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 Monday, May 06, 2024 has, inter-alia, approved the audited Financial Results of the company for Quarter and Financial Year ended on March 31, 2024 along with the Audit Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, along with a declaration of Unmodified Opinion thereon. The aforesaid Board Meeting commenced at 03:00 PM (IST) and concluded at 7:45 PM (IST).

A copy of the aforesaid Financial Results is enclosed herewith along with the Audit Report & Press Release. The same is also available on the website of the Company i.e. www.fusionmicrofinance.com.

Further, the Trading Window of the Company, which was closed w.e.f. April 01, 2024, shall open on May 09, 2024 i.e. after the end of 48 hours from the declaration of financial results for the Quarter and Financial Year ended on March 31, 2024.

Further, pursuant to the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of Fusion Micro Finance Limited ('the Company') at its meeting held on May 06, 2024 has approved the following:

S.No.	ITEM APPROVED	Disclosures as per Regulation 30 read with Schedule III of Listing Regulations and SEBI circular no. SEBI/HO/CFD/CFD-PoD 1/P/CIR/2023/123 dated July 13, 2023
1	Change in designation of Mr. Satish Mani, from Head of Internal Audit ("HIA") to Chief Vigilance Officer ("CVO") of the Company.	Annexure A
2	Appointment Mr. Vikas Jagdish Jajoo as the Head of Internal Audit ("HIA") of the Company.	Annexure B



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3	Appointment of Mr. Susheel Kumar Menon as the Chief Information Security Officer ("CISO") of the company.	Annexure C
4	Amendments in Memorandum & Article of Association (MOA & AOA) of the company, subject to approval of the shareholders of the company	Subject to approval of the shareholders & other regulatory approvals, the Board has approved the change in name of the Company from "FUSION MICRO FINANCE LIMITED" to "FUSION FINANCE LIMITED", along with the consequential amendments to be made in the Memorandum of Association and Articles of Association of the Company.

Kindly take the same on your record.

For Fusion Micro Finance Limited

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



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Annexure A

Change in designation of Mr. Satish Mani from Head of Internal Audit (“HIA”) to Chief Vigilance Officer (“CVO”) of the Company.

Name	Mr. Satish Mani
Reason for change	Change in designation from Head of Internal Audit (“HIA”) to Chief Vigilance Officer (“CVO”) of the Company.
Date and Term of appointment	Date of change in designation : May 06, 2024
Brief Profile	Mr Satish Mani is working in Fusion, has rich experience in Internal Audit. Before joining Fusion, he has worked for companies like GE Capital, ICICI Bank Ltd, Kotak Mahindra Bank Ltd and Sundaram Finance Limited.
Disclosure of relationships between the Directors	Mr. Satish Mani is not related to any of the Directors on the Board.



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Annexure B

Appointment of Mr. Vikas Jagdish Jajoo as the Head of Internal Audit (“HIA”) of the company.

Name	Mr. Vikas Jagdish Jajoo
Reason for change	Appointment as Head of Internal Audit (“HIA”) of the company.
Date and Term of appointment	Date of appointment : May 06, 2024 Term of appointment : As per the RBI Circular No. RBI/2020-21/88 Ref.No.DoS.CO.PPG./SEC.05/11.01.005/2020-21 dated February 03, 2021
Brief Profile	Mr. Vikas Jagdish Jajoo, is a Chartered Accountant, Cost Accountant and Certified Internal Auditor. He was leading the MFI internal audit team in Indusind Bank from 2021 to 2024 and has more than 30 year of experience and served on various companies such as Spandana Sphoorty Financial Limited, Volkswagen Finance Private Limited, Hinduja Leyland Finance Limited, Dbs Bank, The World Bank.
Disclosure of relationships between the Directors	Mr. Vikas Jagdish Jajoo is not related to any of the Directors on the Board.

ANNEXURE C
Appointment of Mr. Susheel Kumar Menon as the Chief Information Security Officer (“CISO”) of the company.

Name	Mr. Susheel Kumar Menon
Reason for change	Appointment as Chief Information Security Officer (CISO) of the company.
Date & Term of appointment	Date of appointment : May 06, 2024 Term of appointment : As prescribed under RBI Master Direction No. RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 07, 2023.
Brief Profile	Mr. Susheel Kumar Menon has joined Fusion, as Chief Information Security Officer (CISO). He holds a bachelor’s degree in political science from Delhi University and is a sports enthusiast with a keen interest in exploring emerging technological advancements. Prior to joining Fusion, he was working with Bharat Soka Gakkai, a prominent Delhi-based NGO, as Head IT, overseeing and managing all aspects of information technology within the organization. Susheel is a seasoned professional with extensive work experience spanning over 28 years in program management, infrastructure management, data centre operations, IT service delivery, service desk management, business application support, and vendor governance across various industries such as FMCG, Telecom, Retail, and Microfinance. He was also the part of reputed brands and leading organizations such as Satin Creditcare Network Ltd, Bata India Limited, Yum Restaurants India Pvt. Ltd., Ericsson India Pvt. Limited and Gillette India Limited.
Disclosure of relationships between the Directors	Mr. Susheel Kumar Menon is not related to any of the Directors on the Board.



Fusion Micro Finance Limited – Financial Results for Quarter and Year ending March 31, 2024

Asset under Management (AUM): ₹ 11,476.08 Crores ↑ 23.45%
Profit After Tax (PAT): ₹ 505.29 Crores ↑ 30.52%
Net Interest Margin (NIM): 11.22% ↑ 107 bps
Pre-provision Operating Profit (PPOP): ₹ 1,028.12 Crores ↑ 44.33%
ROA of 4.78% and ROE of 19.55%

Delhi, 6th May, 2024: Fusion Micro Finance Limited [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its audited financial performance for the quarter and financial year ending 31st March 2024. The company sustained its upward trajectory, marking yet another year of consistent growth while reinforcing its commitment to empowering millions of women entrepreneurs in rural India.

Highlights: FY24

- Asset under Management (AUM) grew 23.45% YoY from INR 9,296.22 Crores to INR 11,476.08 Crores
- Disbursements grew 19.76% YoY from INR 8,596.11 Crores to INR 10,294.35 Crores
- Net NPA 0.60%
- Borrower base increased from ~35.3 lakhs to ~38.6 lakhs
- 211 branches added in FY24, increasing the total branch network to 1,297 branches across 22 States including 3 Union Territories

Key Milestones: FY24

- Fusion Micro Finance crossed a significant milestone of INR 10,000 Crores AUM in H1 FY24
- Since getting listed in FY23, Fusion has received two CRISIL upgrades, taking its current credit rating to 'CRISIL A+/Stable' as of FY 24
- The organization won several prestigious accolades including the '**Most Influential Microfinance of the Year**' award at the 16th NBFC and Fintech Conclave & Awards, '**Outstanding Financial Performance**' award at ASSOCHAM 18th Annual Summit & Awards on Banking & Financial Sector Lending Companies and '**CRIF Data Excellence Award 2023**' in the NBFC – MFI category amongst many more

Highlights: Q4 FY24

- Total income increased 29.66% YoY from INR 520.69 Crores to INR 675.14 Crores
- Net interest income (NII) increased 31.50% YoY from INR 273.75 Crores to INR 359.98 Crores
- Pre-provision operating profit (PPOP) increased 31.46% YoY from INR 221.12 Crores to INR 290.68 Crores
- Cost of Fund reduced from 10.41% to 10.18% (YoY)
- GNPA reduced from 3.04% to 2.89% (QoQ) and NNPA reduced from 0.77% to 0.60% (QoQ)
- Write-offs were INR 75.11 Crores
- Profit After Tax (PAT) increased by 15.87% YoY from INR 114.52 Crores to INR 132.69 Crores
- Healthy capital position with CRAR of 27.53%
- Robust liquidity of INR 1,474.69 Crores of cash & cash equivalents, amounting to 12.52% of the total assets

Commenting on the performance, **Devesh Sachdev, MD and CEO** said, *"We closed a very successful FY 24 with the highest ever PAT, consistent growth in AUM, healthy return ratios and overall robust operational and financial metrics. We continue to invest in human capital, technology, network and process efficiencies. This reiterates our commitment to build a responsible and sustainable organization while creating long term value for our shareholders."*



Financial Snapshot: Q4 FY24

(₹ in crore)

Particulars	Q4 FY24	Q4 FY23	YoY%	Q3 FY24	QoQ%	FY24	FY23	YoY%
Interest Income	576.06	450.74	27.80%	540.04	6.67%	2,091.90	1,600.10	30.74%
Total Income	675.14	520.69	29.66%	613.24	10.09%	2,412.42	1,799.97	34.03%
Finance Cost	214.88	174.24	23.32%	201.46	6.66%	790.83	642.78	23.03%
Profit Before Tax	171.71	151.92	13.03%	166.50	3.13%	663.26	511.98	29.55%
Profit After Tax	132.69	114.52	15.87%	126.45	4.93%	505.29	387.15	30.52%
EPS (Basic) (Rs)	13.20	12.81		12.58		50.30	43.29	
EPS (Diluted) (Rs)	13.15	12.76		12.51		50.11	43.13	

Key Metrics: Q4 FY24

(₹ in crore)

Particulars	Q4 FY24	Q4 FY23	YoY%	Q3 FY24	QoQ%	FY24	FY23	YoY%
AUM	11,476.08	9,296.22	23.45%	10,693.42	7.32%	11,476.08	9,296.22	23.45%
Borrowers	0.386	0.353	9.35%	0.378	2.12%	0.386	0.353	9.35%
Number of Branches	1,297	1,086	19.43%	1,242	4.43%	1,297	1,086	19.43%
Particulars	Q4 FY24	Q4 FY23	YoY%	Q3 FY24	QoQ%	FY24	FY23	YoY%
Net Interest Income (NII)	359.98	273.75	31.50%	337.21	6.75%	1,295.80	947.21	36.80%
Pre-Provision Operating Profit (PPOP)	290.68	221.12	31.46%	260.26	11.69%	1,028.12	712.35	44.33%
Key Ratios	Q4 FY24	Q4 FY23	YoY%	Q3 FY24	QoQ%	FY24	FY23	YoY%
Net Interest Margin (NIM)	11.59%	10.57%	9.65%	11.54%	0.43%	11.22%	10.15%	10.54%
Cost/Income Ratio	36.84%	36.18%	1.82%	36.80%	0.11%	36.60%	38.44%	(4.79%)
Opex/Average AUM	6.12%	5.59%	9.48%	5.85%	4.62%	5.71%	5.53%	3.25%
Gross NPA	2.89%	3.46%	(16.47%)	3.04%	(4.93%)	2.89%	3.46%	(16.47%)
Expected Credit Loss (ECL)	354.54	312.66	13.39%	311.85	13.69%	354.54	312.66	13.39%
Return on Assets (ROA) (Annualised)	4.65%	4.99%	(6.81%)	4.71%	(1.27%)	4.78%	4.65%	2.80%
Return on equity (ROE) (Annualised)	19.10%	20.24%	(5.63%)	19.14%	(0.21%)	19.55%	21.16%	(7.61%)

About Fusion Micro Finance Limited:

Fusion Micro Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)] founded in 2010, is amongst India's leading NBFC-MFIs, touching the lives of ~38.6 lakh clients in the country. Fusion Micro Finance 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, growing consistently with an extensive network of 1,297 branches spread across 22 states including 3 Union Territories, as of 31st March 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.fusionmicrofinance.com OR contact:

Deepak Madaan – investor.relations@fusionmicrofinance.com / 9910075507 Company Secretary & Chief Compliance Officer

Fusion Micro Finance Limited

Sherry Addvant – sherry.addvant@archetype.co / 9810355432 Public Relations

Archetype India

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF FUSION MICRO FINANCE LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2024 and (b) reviewed the Financial Results for the quarter ended March 31, 2024 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2024" of **Fusion Micro Finance Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2024:

- i. is presented in accordance with the requirements of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2024

With respect to the Financial Results for the quarter ended March 31, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 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.



Basis for Opinion on the Audited Financial Results for the year ended March 31, 2024

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. 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 Results for the year ended March 31, 2024 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2024 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2024 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, 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.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2024

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2024 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 SAs 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 Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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.

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.



(b) Review of the Financial Results for the quarter ended March 31, 2024

We conducted our review of the Financial Results for the quarter ended March 31, 2024 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 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 SAs 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.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of these matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 24087104BKCUCZ3662)

Place: Gurugram
Date: May 06, 2024

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 year ended March 31, 2024

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Unaudited*	Unaudited	Unaudited*	Audited	Audited
Interest income	576.06	540.04	450.74	2,091.90	1,600.10
Fees and commission income	9.49	7.59	7.69	41.67	19.58
Net gain on fair value changes	17.63	12.61	9.90	52.86	25.38
Net gain on derecognition of financial instruments under amortised cost category	42.81	32.79	32.56	130.30	96.86
Total revenue from operations	645.99	593.03	500.89	2,316.73	1,741.92
Other income	29.15	20.21	19.80	95.69	58.05
Total income	675.14	613.24	520.69	2,412.42	1,799.97
Expenses					
Finance costs	214.88	201.46	174.24	790.83	642.78
Impairment on financial instruments	118.97	93.76	69.20	364.86	200.37
Employee benefit expense	122.23	111.87	89.40	431.22	325.52
Depreciation and amortization expense	2.78	2.38	2.30	9.01	7.41
Other expenses	44.57	37.27	33.63	153.24	111.91
Total expenses	503.43	446.74	368.77	1,749.16	1,287.99
Profit before tax for the period/year	171.71	166.50	151.92	663.26	511.98
Tax expense/(credit):					
Current tax	45.42	42.79	41.25	172.30	110.60
Deferred tax	(6.40)	(2.74)	(3.85)	(14.33)	14.23
Income tax expense	39.02	40.05	37.40	157.97	124.83
Profit after tax for the period/year	132.69	126.45	114.52	505.29	387.15
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement gains on defined benefit plans	0.35	0.11	(0.84)	1.64	0.42
Income tax effect	(0.09)	(0.02)	0.21	(0.41)	(0.11)
Total other comprehensive income	0.26	0.09	(0.63)	1.23	0.31
Total comprehensive income for the period/year	132.95	126.54	113.89	506.52	387.46
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.62	100.53	100.35	100.62	100.35
Other Equity				2,747.53	2,221.57
Earnings per share (equity share, par value of ₹ 10 each)					
Computed on the basis of total profit for the period/year					
Basic earnings per share (BEPS) # (₹)	13.20	12.58	12.81	50.30	43.29
Diluted earnings per share (DEPS) # (₹)	13.15	12.51	12.76	50.11	43.13

: BEPS and DEPS for the quarter ended periods are not annualised
*Refer Note 14

Place: Gurugram
Date: May 06, 2024



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

Devesh Sachdev
Devesh Sachdev
Managing Director and CEO

NOTES

Note 1 : Statement of Audited Assets and Liabilities for the year ended March 31, 2024

(₹ in crore unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	1,474.69	950.36
Bank balance other than cash and cash equivalents	78.50	114.67
Trade receivables	13.85	14.41
Loans	9,947.87	8,041.56
Investments	2.06	-
Other financial assets	99.41	96.04
Derivative financial instrument	-	0.14
Total financial assets	11,616.38	9,217.18
Non-financial assets		
Current tax assets (net)	3.25	38.36
Deferred tax assets (net)	91.67	77.74
Property, plant and equipment	22.44	13.28
Capital work-in-progress	-	0.25
Right of use asset	8.46	7.66
Intangible assets	0.54	0.02
Intangible assets under development	2.18	-
Other non- financial assets	29.40	9.05
Total non-financial assets	157.94	146.36
Total assets	11,774.32	9,363.54
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instrument	0.01	-
Trade payables	-	-
total outstanding dues of micro enterprises and small enterprises	1.84	-
total outstanding dues of creditors other than micro enterprises and small enterprises	65.89	71.63
Debt securities	201.59	628.80
Borrowings (other than debt securities)	8,360.92	6,036.61
Subordinated liabilities	53.39	112.99
Other financial liabilities	176.39	156.92
Total financial liabilities	8,860.03	7,006.95
Non-financial liabilities		
Current tax liabilities (net)	-	0.71
Provisions	10.54	10.90
Other non-financial liabilities	55.60	23.06
Total non-financial liabilities	66.14	34.67
Total liabilities	8,926.17	7,041.62
EQUITY		
Equity share capital	100.62	100.35
Other equity	2,747.53	2,221.57
Total equity	2,848.15	2,321.92
Total liabilities and equity	11,774.32	9,363.54



Note 2 : Statement of Audited Cash flows for the year ended March 31, 2024

(₹ in crore unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Audited	Audited
Cash flow from operating activities		
Profit before Tax	663.26	511.98
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	9.01	7.41
(Gain)/ Loss on sale of property, plant & equipment	0.02	-
Impairment of financial instruments-Loans	361.08	199.51
(Gain)/ Loss on fair value changes	(0.06)	-
Impairment of financial instruments-other financial assets	3.78	0.86
Finance cost on lease liability	0.99	1.02
Provision for gratuity	3.74	3.12
Provision for compensated absences	3.43	2.75
Other provisions	(5.89)	(1.59)
Net gain on sale of mutual fund investment	(52.80)	(25.38)
Net gain on derecognition of financial instruments under amortised cost category	(130.30)	(96.86)
Employee share based compensation	13.11	6.72
Effective interest rate adjustment for financial instruments	(1.94)	(3.46)
Net foreign exchange differences	0.83	4.62
Fair value loss on derivative financial instruments	0.14	(7.85)
Operating cash flow before working capital changes	868.40	602.85
<i>Movement in working capital:</i>		
(Increase)/decrease in loans	(2,267.39)	(2,322.88)
(Increase)/decrease in trade receivables	0.56	(10.13)
(Increase)/decrease in other financial assets	123.15	55.58
(Increase)/decrease in other non- financial assets	(20.35)	8.43
(Increase)/decrease in bank balance other than cash and cash equivalents	36.17	27.56
Increase/(decrease) in trade payables	(3.90)	43.96
Increase/(decrease) in other financial liability	18.38	42.84
Increase/(decrease) in other non-financial liabilities	32.54	1.74
Cash flow from operations	(1,212.44)	(1,550.05)
Income tax paid	(137.90)	(112.99)
Net cash used from operating activities (A)*	(1,350.34)	(1,663.04)
II. Cash flow from investing activities		
Purchase of property, plant and equipments	(16.39)	(7.28)
Payment against capital work-in-progress	-	(0.25)
Proceeds from sale of property, plant and equipment	0.01	-
Purchase of intangible assets	(0.65)	-
Payment against intangible assets under development	(2.18)	-
Payment against right of use assets	(0.11)	-
Purchase of investments	(12,752.00)	(7,715.00)
Proceeds from sale of investments	12,802.80	7,740.38
Net cash flow from investing activities (B)	31.48	17.85
III. Cash flow from financing activities		
Proceeds from issue of equity shares (net of share issue expenses)	6.60	584.46
Repayment of debt securities	(427.46)	(335.37)
Proceeds from debt securities	-	180.00
Repayment of borrowings (other than debt securities)	(4,847.13)	(3,808.20)
Proceeds from borrowings (other than debt securities)	7,173.19	5,015.00
Repayment of subordinated debt	(59.99)	(50.00)
Payment of lease liability	(2.02)	(1.71)
Net cash flow from financing activities (C)	1,843.19	1,584.18
Net (decrease)/increase in cash and cash equivalents (A + B + C)	524.33	(61.01)
Cash and cash equivalents at the beginning of the year	950.36	1,011.37
Cash and cash equivalents at the end of the year	1,474.69	950.36

Cash flow from operating activities includes interest received of ₹ 2,069.66 crore (31 March 2023: ₹ 1,599.43 crore) and interest paid of ₹ 7.24 crore (31 March 2023: ₹ 623.09 crore).



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 year ended March 31, 2024

3. The financial results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors of Fusion Micro Finance Limited ("the Company") in their meeting held on May 06, 2024. The Company has prepared these financial results in accordance with the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) 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, 2023. The audit of financial results for the year ended March 31, 2024 and limited review of financial results for the quarter ended March 31, 2024, have been conducted by the Statutory Auditors of the Company.
4. 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.
5. (i) The Company, during the year ended March 31, 2024, has granted 9,45,500 stock options to the employees respectively, in accordance with the Company's Employee Stock Option Scheme(s).
- (ii) The Company, during the quarter and year ended March 31, 2024, has issued 85,510 and 2,74,536 number of equity shares respectively, each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
6. (i) The Company had created liability for IPO (Initial Public Offer) related expenses amounting to ₹ 56.37 crore during the previous year ended March 31, 2023. This comprises the Company's share of ₹ 30.64 crore and Selling Shareholder's share of ₹ 25.73 crore. As on March 31, 2024, of these liabilities, the Company had paid ₹ 51.45 crore and remaining liability of ₹ 4.92 crore is being carried forward. The details of liabilities incurred are given below:

(₹ in crore unless otherwise stated)

Particulars	Amount provided for as IPO expenses	Amount paid upto March 31, 2024
BRLMs fees and commissions (including underwriting commission)	26.70	23.29
Advertising and marketing expenses for offer	7.40	6.62
Regulatory & other expenses	5.03	3.50
Printing and stationery expenses	2.38	2.38
Fees payable to legal counsel	7.55	7.66
Fees payable to other advisors to the offer	5.00	6.52
Miscellaneous expenses	2.31	1.48
Total	56.37	51.45

(ii) The net proceeds from IPO had been utilized during the previous year ended March 31, 2023.

7. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for year ended March 31, 2024 is attached as Annexure I.
8. As per Regulation 54 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), as on March 31, 2024, all Secured Non - Convertible debt securities ("NCD") of the Company are secured by exclusive first charge by way of hypothecation against the principal amount outstanding and accrued coupon on the NCD. Further, the Company has maintained security cover being minimum of 100% of principal outstanding and accrued coupon thereon or as stated in the Information Memorandum of these NCD's at all times. As on March 31, 2024, the Company does not have any listed NCD.
9. 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.



10. Details of loans transferred/acquired during the quarter ended March 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	1,96,828
Aggregate amount of loans (including retention)	565.78
Sale Consideration of loans (excluding retention)	509.20
Number of transactions	2
Weighted average in maturity (in months)	15.86
Weighted average holding period (in months)	8.89
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.

11. 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 March 31, 2024	
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)	-	645.29
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	754.76	867.97
Total Cash Outflows	754.76	867.97
Cash Inflows		
7 Secured lending	-	-
8 Inflows from fully performing exposures	-	-
9 Other cash inflows	1,031.94	773.95
Total Cash Inflows	1,031.94	773.95
		Total Adjusted Value
Total HQLA		645.29
Total net cash outflows		216.99
Liquidity Coverage ratio (%)		297.38%
Following assets formed part of HQLA		
Assets		
Cash on hand		12.52
Balances with banks – Current Accounts		632.77
Total		645.29



12. (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are not applicable as the Company has not restructured any loan accounts under resolution framework 1.0.

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution are given below: -

(₹ in crore unless otherwise stated)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of previous half year i.e., September 30, 2023 (A)	of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2024	of (A), amount written-off during the half year ended March 31, 2024	of (A), amount paid by the borrowers during the half year ended March 31, 2024 *	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year i.e., March 31, 2024
JLG loans	2.95	-	1.41	0.42	1.12
MSME loans	0.35	-	-	0.03	0.32

* Amount paid by the borrower during the year is net of additions in the exposure on account of interest accrual.

13. Previous periods/year figures have been regrouped / rearranged wherever necessary to conform with current period's classification.

14. The figures for the quarter ending as on March 31, 2024 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2024 and the unaudited published year-to-date figures up to December 31, 2023, being the date at the end of the third quarter of the financial year which were subjected to limited review. Similarly, the figures for the quarter ending as on March 31, 2023 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022, being the date at the end of the third quarter of the financial year which were subjected to limited review.

15. 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.fusionmicrofinance.com).



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

Devesh Sachdev
Managing Director & CEO

Place: Gurugram
Date: May 06, 2024



Annexure I

Disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), for the year ended as on March 31, 2024

(₹ in crore unless otherwise stated)

Particulars	year ended
	March 31, 2024
(i) Debt-equity ratio (Times) *	3.03
(ii) Net worth **	2,848.15
(iii) Net profit after tax	505.29
(iv) Earnings per share (EPS) (Face Value of ₹ 10/- each)	
(a) Basic EPS (₹) before & after extraordinary items (net of tax expense)	50.30
(b) Diluted EPS (₹) before & after extraordinary items (net of tax expense)	50.11
(v) Total debts to total assets #	0.73
(vi) Net profit margin (%) ##	20.95%
(vii) Outstanding Redeemable Preference Shares	-
(viii) Capital Redemption Reserve	Not applicable
(ix) Debenture Redemption Reserve	Not applicable
(x) Sector specific equivalent ratio include following:	
(a) Gross Stage III (%) @	2.89%
(b) Net Stage III (%) @@	0.60%
(c) Provision coverage &	79.71%
(d) Capital risk adequacy ratio (CRAR) %-Total	27.53%

Notes:

* Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/Networth.

** Networth is calculated as defined in section 2(57) of Companies Act 2013.

Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities)/total assets

Net profit margin = Net profit after tax/ total income.

@ Gross Stage III (%) = Gross Stage III Loans EAD/Gross Total Loans EAD. Exposure at default (EAD) includes Loan Balance and interest thereon. Stage -III loans has been determined as per Ind As 109

@@ Net Stage III = (Gross Stage III Loans EAD - Impairment loss allowance for Stage III)/(Gross Total Loans EAD - Impairment loss allowance for Stage III)

& Provision coverage = Total Impairment loss allowance for Stage III/ Gross Stage III Loans EAD

Note : 1- The Company, being a NBFC-MFI, disclosure of Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not applicable.

