



CIN : L65100DL1994PLC061287

# Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

Date: 13.03.2025

Letter No. FFL/SEC/2024-25/SE-164

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
--	---

**Sub: Approval of the Unaudited Special Purpose Condensed Interim Financial Statements**

Dear Sir/Ma'am,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI LODR Regulations"), we wish to inform you that the Board of Directors of the Company pursuant to a resolution by circulation passed today i.e. March 13, 2025, have approved the Unaudited Special Purpose Condensed Interim Financial Statements of the Company for the nine months ended December 31, 2024 ("Interim Financials") along with report on review of Interim Financials issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company. Copy of the same is attached herewith.

The Interim Financials have been prepared solely for the limited purpose of disclosure in the Letter of Offer, as and when filed, by the Company in relation to the proposed rights issue.

The above information is also available at the Company's website at [www.fusionfin.com](http://www.fusionfin.com).

Request you to take the same on records.

Thanking you,  
Sincerely,

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

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

## **Independent Auditor's Report on Unaudited Special Purpose Condensed Interim Financial Statements**

**To the Board of Directors of  
Fusion Finance Limited**

### **Introduction**

1. We have reviewed the accompanying Unaudited Special Purpose Condensed Interim Financial Statements of Fusion Finance Limited (Formerly known as Fusion Micro Finance Limited) ('the Company'), which comprise the Unaudited Special Purpose Condensed Interim Balance Sheet as at December 31, 2024, the Unaudited Special Purpose Condensed Interim Statement of Profit and Loss (Including Other Comprehensive Income), the Unaudited Special Purpose Condensed Interim Statement of Cash Flows and the Unaudited Special Purpose Condensed Interim Statement of Changes in Equity as at and for the nine month period then ended, and selected explanatory notes thereon (the "Unaudited Special Purpose Condensed Interim Financial Statements"). The Unaudited Special Purpose Interim Condensed Financial Statements have been prepared on the basis stated in Note 2 "Basis of Preparation" to the Unaudited Special Purpose Interim Condensed Financial Statements.

### **Responsibilities of Management and Those Charged with Governance**

2. The Company's Board of Directors is responsible for the preparation and presentation of the Unaudited Special Purpose Condensed Interim Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes to Unaudited Special Purpose Condensed Interim Financial Statements, which have been approved by the Board of Directors of the Company for issuance. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, as amended, 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 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 Unaudited Special Purpose Condensed Interim Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes

In preparing the Unaudited Special Purpose Condensed Interim Financial Statements, management and Board of Directors is 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors' Responsibility**

3. Our responsibility is to express a conclusion on the Unaudited Special Purpose Condensed Interim Financial Statements. We conducted our review 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 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 (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.

## **Basis for Qualified Conclusion**

4. As stated in Note 17 of the Unaudited Special Purpose Condensed Interim Financial Statements, the Company has not evaluated whether any of the expected credit allowances recognised in the nine month period ended December 31, 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.

## **Qualified conclusion**

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 Unaudited Special Purpose Condensed Interim Financial Statements has not been prepared, in all material aspects, in accordance with the basis set out in Note 2 of the Unaudited Special Purpose Condensed Interim Financial Statements.

## **Other matter**

6. We draw attention to Note 18 of the Unaudited Special Purpose Condensed Interim Financial Statements which describes the material uncertainty in relation to the going concern assumption used in the preparation of the Unaudited Special Purpose Condensed Interim Financial Statements. 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.

# Deloitte Haskins & Sells

## Basis of Preparation and Restriction on Use

7. Without modifying our conclusion, we draw attention to Note 2 of the selected explanatory notes, which explains that the Unaudited Special Purpose Condensed Interim Financial Statements have been prepared solely for inclusion in the Letter of Offer in connection with the proposed rights issue of the equity shares of the Company. As a result, the Unaudited Special Purpose Condensed Interim Financial Statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be used by other parties.

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

**Jitendra** Digitally signed by  
**Agarwal** Jitendra Agarwal  
Date: 2025.03.13  
23:00:46 +05'30'

**Jitendra Agarwal**  
(Partner)  
(Membership No. 87104)  
(UDIN: 25087104BMJGUD6432)

Place: Kolkata  
Date: March 13, 2025

Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)  
Unaudited Special Purpose Condensed Interim Balance Sheet as at December 31, 2024

(₹ in crore unless otherwise stated)			
Particulars	Notes	As at December 31, 2024 (Unaudited)	As at March 31, 2024 (Audited)
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents		1,135.48	1,474.69
Bank balance other than cash and cash equivalents		66.08	78.50
Trade receivables		9.33	13.85
Loans	3	7,921.44	9,947.87
Investments	4	2.03	2.06
Other financial assets		103.97	99.41
Derivative financial instrument		2.02	-
<b>Total financial assets</b>		<b>9,240.35</b>	<b>11,616.38</b>
<b>Non-financial Assets</b>			
Current tax assets (net)		36.74	3.25
Deferred tax assets (net)		-	91.67
Property, plant and equipment		16.38	22.44
Right of use asset		9.79	8.46
Intangible assets		3.39	0.54
Intangible assets under development		1.32	2.18
Other non-financial assets		78.62	29.40
<b>Total non-financial assets</b>		<b>146.24</b>	<b>157.94</b>
<b>Total assets</b>		<b>9,386.59</b>	<b>11,774.32</b>
<b>Liabilities &amp; Equity</b>			
<b>Financial liabilities</b>			
Derivative financial instrument		-	0.01
Trade payables			
total outstanding dues of micro enterprises and small enterprises		1.71	1.84
total outstanding dues of creditors other than micro enterprises and small enterprises		65.92	65.89
Debt securities	5	162.39	201.59
Borrowings (other than debt securities)	6	7,094.74	8,360.92
Subordinated liabilities	7	53.68	53.39
Other financial liabilities		147.69	176.39
<b>Total financial liabilities</b>		<b>7,526.13</b>	<b>8,860.03</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		0.01	-
Provisions		16.11	10.54
Other non-financial liabilities		37.88	55.60
<b>Total non-financial liabilities</b>		<b>54.00</b>	<b>66.14</b>
<b>Total liabilities</b>		<b>7,580.13</b>	<b>8,926.17</b>
<b>Equity</b>			
Equity share capital		100.65	100.62
Other equity		1,705.81	2,747.53
<b>Total equity</b>		<b>1,806.46</b>	<b>2,848.15</b>
<b>Total liabilities and equity</b>		<b>9,386.59</b>	<b>11,774.32</b>

The accompanying notes are an integral part of the Unaudited Special Purpose Condensed Interim financial statements.

As per our report of even date

for **Deloitte Haskins & Sells**  
**Chartered Accountants**  
ICAI Firm Registration Number: FRN - 015125N  
**Jitendra Agarwal**  
Digitally signed by Jitendra Agarwal  
Date: 2025.03.13 22:56:43 +05'30'  
**Jitendra Agarwal**  
Partner  
Membership Number : 087104

for and on behalf of the Board of Directors of  
**Fusion Finance Limited**  
CIN : L65100DL1994PLC061287

DEVESH SACHDEV  
Digitally signed by DEVESH SACHDEV  
Date: 2025.03.13 18:44:12 +05'30'

**Devesh Sachdev**  
Managing Director and Chief Executive Officer  
DIN : 02547111

DEEPAK MADAAAN  
Digitally signed by DEEPAK MADAAAN  
Date: 2025.03.13 18:47:42 +05'30'

**Deepak Madaan**  
Company Secretary and Chief Compliance Officer  
M. No. A24811

RATNA D VISWANATHAN  
Digitally signed by RATNA D VISWANATHAN  
Date: 2025.03.13 12:12:00 +05'30'

**Ratna Dharashree Vishwanathan**  
Director  
DIN : 07278291

GAURAV MAHESHWARI  
Digitally signed by GAURAV MAHESHWARI  
Date: 2025.03.13 18:48:19 +05'30'

**Gaurav Maheshwari**  
Chief Financial Officer  
M. No. 403832

Place: Kolkata  
Date: March 13, 2025

Place: Gurugram  
Date: March 13, 2025







**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)****Notes to Unaudited Special Purpose Condensed Interim Financial Statements for the nine months ended December 31, 2024****1. Corporate information**

Fusion Finance Limited (formerly known as Fusion Micro Finance Limited) ('the Company'), was originally incorporated as 'Ambience Fincap Private Limited' on September 5, 1994 under the Companies Act, 1956. On January 9, 2003, the Reserve Bank of India (RBI) granted a certificate of registration as a non-deposit accepting non-banking financial company under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, the name of Company was changed to 'Fusion Micro Finance Private Limited' and a fresh certificate of incorporation, dated April 19, 2010, was issued, post which the RBI granted a certificate of registration dated May 19, 2010 reflecting the change of name. Thereafter, the Company was issued a fresh certificate dated January 28, 2014 from RBI for carrying on the business of Non-Banking Financial Company-Micro Finance Institution ('NBFC-MFI'). The name of the Company was further changed to Fusion Micro Finance Limited upon conversion to a public limited company pursuant to the special resolution passed by the Shareholders of the Company and a fresh certificate of incorporation was issued dated July 20, 2021. Thereafter, the name of the Company was further changed to Fusion Finance Limited with effect from July 09, 2024. A fresh certificate consequent to change in the name of Fusion Finance Limited was issued by Registrar of Companies, Central Processing Centre, Haryana on July 09, 2024. The registered office of the Company is at H-1, C-Block, Community Centre, Naraina Vihar, New Delhi-110028.

The Company is primarily engaged in micro finance lending activities, providing financial services to poor women in India who are organized as Joint Liability Group ('JLGs'). The Company provides small value collateral free loans. Apart from micro finance lending, the Company also have lending to MSME enterprises.

The Company uses its distribution channel to provide other financial products and services to the members primarily relate to providing of loans to the members for the purchase of certain productivity enhancing products such as mobile handsets, bicycle etc.

**2. Basis of preparation**

The Unaudited Special Purpose Condensed Interim Financial Statements as at and for the nine months ended December 31, 2024 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS) -34 "Interim Financial Reporting" as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and should be read in conjunction with the previous annual financial statements as at and for the year ended 31 March 2024 (last audited annual financial statements). These Unaudited Special Purpose Condensed Interim Financial Statements do not include all the information required for a complete set of Ind AS financial statements. These have been prepared solely for inclusion in the Letter of Offer in connection with the proposed rights issue of the equity shares of the Company.

In preparing these Unaudited Special Purpose Condensed Interim Financial Statements, the unaudited comparative figures related to nine months ended December 31, 2023 included in Unaudited Special Purpose Condensed Interim Financial Statements have been compiled/extracted from the Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2023, prepared as per the requirements of Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Statement of Unaudited Financial Results"), which had been approved by the Board of Directors of the Company on February 05, 2024 and the books of accounts used for the purpose of preparation of Statement of Unaudited Financial Results and on which our auditors had issued unmodified review report dated February 05, 2024. The comparative figures have not been adjusted to reflect adjusting events after February 05, 2024 and the possible effects of the matter described in note 17 below.

The accounting policies applied by the Company for preparation of these Unaudited Special Purpose Condensed Interim Financial Statements are consistent with those adopted for preparation of last annual financial statements.

*This space is intentionally left blank*

**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)**  
**Notes to Unaudited Special Purpose Condensed Interim Financial Statements for the nine months ended December 31, 2024**

(₹ in crore unless otherwise stated)

**3 Loans (at amortised cost)**

**Term Loans:**

	As at December 31, 2024	As at March 31, 2024
Joint liability loans	8,847.04	9,782.50
MSME Loans	613.99	519.91
Consumer product loans	11.09	-
<b>Total - Gross</b>	<b>9,472.12</b>	<b>10,302.41</b>
Less: Impairment loss allowance	(1,550.68)	(354.54)
<b>Total - Net</b>	<b>7,921.44</b>	<b>9,947.87</b>

**Gross portfolio movement for the nine months ended December 31, 2024**

Particulars	Stage I	Stage II	Stage III	Total
<b>Gross carrying value of loans as at April 1, 2024</b>	<b>9,884.13</b>	<b>121.03</b>	<b>297.25</b>	<b>10,302.41</b>
New loans originated during the period, netted off for repayments and derecognised portfolio	(982.41)	46.42	521.40	(414.59)
Loans written off during the period	(0.06)	(0.07)	(415.57)	(415.70)
<b>Movement between stages</b>				
Transfer from stage I	(1,025.33)	247.81	777.52	-
Transfer from stage II	1.13	(12.80)	11.67	-
Transfer from stage III	0.33	0.36	(0.69)	-
<b>Gross carrying value of loans as at December 31, 2024</b>	<b>7,877.79</b>	<b>402.75</b>	<b>1,191.58</b>	<b>9,472.12</b>

**Gross portfolio movement for the year ended March 31, 2024**

Particulars	Stage I	Stage II	Stage III	Total
<b>Gross carrying value of loans as at April 1, 2023</b>	<b>8,005.07</b>	<b>60.26</b>	<b>288.89</b>	<b>8,354.22</b>
New loans originated during the year, netted off for repayments and derecognised portfolio	2,093.59	(21.29)	195.09	2,267.39
Loans written off during the year	(0.32)	(0.11)	(318.77)	(319.20)
<b>Movement between stages</b>				
Transfer from stage I	(216.06)	90.90	125.16	-
Transfer from stage II	1.23	(9.68)	8.45	-
Transfer from stage III	0.62	0.95	(1.57)	-
<b>Gross carrying value of loans as at March 31, 2024</b>	<b>9,884.13</b>	<b>121.03</b>	<b>297.25</b>	<b>10,302.41</b>

**Reconciliation of loss allowance provision from beginning to end of reporting period:**

Particulars	Loans			Total
	Stage I	Stage II	Stage III	
<b>ECL allowance on April 01, 2024</b>	<b>64.36</b>	<b>53.25</b>	<b>236.93</b>	<b>354.54</b>
New loans originated during the period, netted off for repayments and derecognised portfolio	(6.40)	20.42	415.59	429.61
Loans written off during the period	(0.06)	(0.07)	(415.57)	(415.70)
<b>Movement between stages</b>				
Transfer from stage I	(6.68)	1.62	5.06	-
Transfer from stage II	0.50	(5.63)	5.13	-
Transfer from stage III	0.26	0.29	(0.55)	-
Impact on ECL on account of movement between stages/ updates to ECL model	159.34	222.06	800.83	1,182.23
<b>ECL allowance on December 31, 2024</b>	<b>211.32</b>	<b>291.94</b>	<b>1,047.42</b>	<b>1,550.68</b>
<b>ECL allowance on April 01, 2023</b>	<b>70.45</b>	<b>24.11</b>	<b>218.10</b>	<b>312.66</b>
New assets originated during the year, netted off for repayments and derecognised portfolio	18.42	(8.52)	147.29	157.19
Loans written off during the year	(0.32)	(0.11)	(318.77)	(319.20)
<b>Movement between stages</b>				
Transfer from stage I	(1.90)	0.80	1.10	-
Transfer from stage II	0.49	(3.87)	3.38	-
Transfer from stage III	0.47	0.72	(1.19)	-
Impact on ECL on account of movement between stages/ updates to ECL model	(23.25)	40.12	187.02	203.89
<b>ECL allowance on March 31, 2024</b>	<b>64.36</b>	<b>53.25</b>	<b>236.93</b>	<b>354.54</b>

**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)**  
**Notes to Unaudited Special Purpose Condensed Interim Financial Statements for the nine months ended December 31, 2024**

**4 Investments**

**At fair value through profit and loss account :**

Investments in Unquoted debt mutual funds (HDFC charity fund for cancer cure: December 31, 2024 - 19,99,900.05 units)  
(March 31, 2024 - 19,99,900.05 units)

(i) Overseas investments

(ii) Investments in India

**Total**

(₹ in crore unless otherwise stated)	
As at December 31, 2024	As at March 31, 2024
2.03	2.06
-	-
2.03	2.06
<b>2.03</b>	<b>2.06</b>

**5 Debt Securities (at amortised cost)**

Non-convertible debentures (Secured by book debts)\*

Non-convertible debentures (Unsecured )

**Total**

Debt securities in India

Debt securities outside India

**Total**

162.39	189.93
-	11.66
<b>162.39</b>	<b>201.59</b>
162.39	201.59
-	-
<b>162.39</b>	<b>201.59</b>

\*The borrowings are secured by hypothecation of book debts and margin money deposits and fixed deposits.

**6 Borrowings - other than debt securities (at amortised cost)**

(a) Term loans

(i) from banks

(ii) from other parties

(b) External commercial borrowings

**Total**

6,141.11	7,287.39
744.90	983.44
208.73	90.09
<b>7,094.74</b>	<b>8,360.92</b>

Borrowings in India

Borrowings outside India

**Total**

6,886.01	8,270.83
208.73	90.09
<b>7,094.74</b>	<b>8,360.92</b>

Secured\*

Unsecured

**Total**

7,094.74	8,360.92
-	-
<b>7,094.74</b>	<b>8,360.92</b>

\*The secured borrowings are secured by hypothecation of book debts, margin money deposits and fixed deposits.

**7 Subordinated liabilities (at amortised cost)**

from banks

from other than banks

**Total**

-	-
53.68	53.39
<b>53.68</b>	<b>53.39</b>

Subordinated liabilities in form of Non-convertible debentures

Subordinated liabilities in form of term loan

**Total**

53.68	53.39
-	-
<b>53.68</b>	<b>53.39</b>

Subordinated liabilities in India

Subordinated liabilities outside India

**Total**

53.68	53.39
-	-
<b>53.68</b>	<b>53.39</b>

*This space is intentionally left blank*

**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)**
**Notes to Unaudited Special Purpose Condensed Interim Financial Statements for the nine months ended December 31, 2024**

		(₹ in crore unless otherwise stated)	
		For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
<b>8</b>	<b>Fees and commission income</b>		
	Facilitation fees	13.74	32.18
	Income from business correspondence services	0.36	-
	<b>Total</b>	<b>14.10</b>	<b>32.18</b>
<b>9</b>	<b>Net gain on derecognition of financial instruments under amortised cost category</b>		
	Gain on derecognition of financial instruments	89.14	87.49
	<b>Total</b>	<b>89.14</b>	<b>87.49</b>
<b>10</b>	<b>Other income</b>		
	Market support income	22.38	43.44
	Recovery of loans written off	12.03	20.25
	Miscellaneous income	4.81	2.85
	<b>Total</b>	<b>39.22</b>	<b>66.54</b>
<b>11</b>	<b>Impairment on financial instruments</b>		
	<b>On financial assets measured at amortised cost</b>		
	Impairment on loan portfolio	1,611.84	243.27
	Other financial assets	2.97	2.62
	<b>Total</b>	<b>1,614.81</b>	<b>245.89</b>
<b>12</b>	<b>Earning per share</b>		
	<b>a) Basic earning per share</b>		
	Profit/(loss) for the period before Other comprehensive income as per the Statement of profit and loss	(1,059.98)	372.60
	Profit/(loss) after tax for calculation of basic EPS and diluted EPS	(1,059.98)	372.60
	Weighted average number of equity shares outstanding at the period ended	10,06,44,869	10,04,24,638
	<b>b) Diluted earning per share</b>		
	Profit/(loss) for the period before Other comprehensive income as per the Statement of profit and loss	(1,059.98)	372.60
	Weighted average number of equity shares outstanding at the period ended - basic	10,06,44,869	10,04,24,638
	Add: Weighted average number of potential equity shares on account of employee stock options	12,307	5,97,098
	Weighted average number of equity shares outstanding at the period ended - diluted	10,06,57,176	10,10,21,737
	<b>Earning per share</b>		
	Basic - par value of ₹ 10 each	<b>(105.32)</b>	<b>37.10</b>
	Diluted - par value of ₹ 10 each	<b>(105.32)</b>	<b>36.88</b>

**13 Segment reporting**

The Managing Director(MD) and Chief Executive Officer(CEO) of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker (CODM).

The Company operates under the principal business segment viz. "micro financing activities " in India. The CODM views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided. There are no individual customer contributing more than 10% of Company's total revenue. There are no operation outside India and hence there is no external revenue or assets which require disclosure.

*This space is intentionally left blank*

**14 Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows :

Particulars	Debt securities	Borrowings (other than debt securities)	Subordinated liabilities	Total
<b>Cash flows:</b>				
<b>April 1, 2024</b>	<b>201.59</b>	<b>8,360.92</b>	<b>53.39</b>	<b>8,615.90</b>
Repayment	(39.27)	(4,715.37)	-	(4,754.64)
Proceeds	-	3,445.13	-	3,445.13
<b>Non Cash:</b>				
Amortisation of upfront fees	0.07	0.01	0.29	0.37
Exchange differences (net)	-	4.05	-	4.05
<b>December 31, 2024</b>	<b>162.39</b>	<b>7,094.74</b>	<b>53.68</b>	<b>7,310.81</b>
<b>Cash flows:</b>				
<b>April 1, 2023</b>	<b>628.80</b>	<b>6,036.61</b>	<b>112.99</b>	<b>6,778.40</b>
Repayment	(238.47)	(3,471.05)	(59.99)	(3,769.51)
Proceeds	-	5,013.19	-	5,013.19
<b>Non Cash:</b>				
Amortisation of upfront fees	0.20	(1.27)	0.30	(0.77)
Exchange differences (net)	-	2.56	-	2.56
<b>December 31, 2023</b>	<b>390.53</b>	<b>7,580.04</b>	<b>53.30</b>	<b>8,023.87</b>

*This space is intentionally left blank*

**15 Related party disclosure****i. Names of the related party and nature of relationship:-**

Description of relationship	Designation	As at December 31, 2024	As at December 31, 2023
Key Management Personnel*	Managing Director and Chief Executive Officer	Devesh Sachdev	Devesh Sachdev
	Chief Financial Officer	Gaurav Maheshwari	Gaurav Maheshwari
	Company Secretary and Chief Compliance Officer	Deepak Madaan	Deepak Madaan
Directors	Independent Director (Note 1 & 2)	Ms. Namrata Kaul	Ms. Namrata Kaul
		-	Mr. Pankaj Vaish
		Mr. Puneet Gupta	-
	Nominee Director	Ms. Ratna Dharashree Vishwanathan	Ms. Ratna Dharashree Vishwanathan
		Mr. Narendra Ostawal	Mr. Narendra Ostawal
		Mr. Kenneth Dan Vander Weele	Mr. Kenneth Dan Vander Weele
Entities exercising significant influence over the Company	Shareholder (Note 3)	-	Creation Investments Fusion, LLC, Chicago, U.S.A.
		-	Creation Investments Fusion II, LLC, Chicago, U.S.A.
		Honey Rose Investment Ltd	Honey Rose Investment Ltd
Entities under Common Controlling interest	Entities under Common Controlling interest (Note 4)	-	Vivriti Capital Private Limited
		-	Vivriti Asset Management Private Limited
Post Employment benefits plan	Gratuity Trust	Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund	Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund

\*Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Note 1: Mr. Pankaj Vaish has completed his tenure as Independent Director on September 21, 2024.

Note 2: Mr. Puneet Gupta has been appointed as additional Independent Director w.e.f. October 05, 2024 which has been regularised w.e.f. October 30, 2024.

Note 3: Creation Investments Fusion & Creation Investments Fusion II are not related parties w.e.f. December 15, 2023

Note 4: Vivriti Capital Private Limited & Vivriti Asset Management Private Limited are not related parties w.e.f. December 15, 2023

**ii. Summary of related party transactions during the period/year**

Name of the related party	Nature of transaction	For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
Mr. Devesh Sachdev	Managerial remuneration	5.53	7.17
Mr. Gaurav Maheshwari	Remuneration	1.13	0.93
Mr. Gaurav Maheshwari	Share based compensation expense	0.29	-
Mr. Deepak Madaan	Remuneration	0.66	0.52
Mr. Deepak Madaan	Share based compensation expense	0.23	-
Ms. Ratna Dharashree Vishwanathan	Sitting fees	0.12	0.08
Ms. Ratna Dharashree Vishwanathan	Commission	0.08	-
Ms. Namrata Kaul	Sitting fees	0.15	0.10
Ms. Namrata Kaul	Commission	0.08	-
Mr. Pankaj Vaish	Sitting fees	0.09	0.10
Mr. Pankaj Vaish	Commission	0.08	-
Mr. Pankaj Vaish	Reimbursement of travelling expenses	0.03	0.03
Mr. Puneet Gupta	Sitting fees	0.04	-
Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund	Investment	0.22	-
Vivriti Asset Management Private Limited	Interest payment	-	1.60
Vivriti Capital Private Limited	Interest payment	-	1.32
<b>The amount payable to related parties:</b>		<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
Name of the related party	Nature of transaction	-	-

**Terms and conditions**

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

As the provision for gratuity, leave compensation and share based compensation is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included above. The above remuneration details are in the nature of short term benefits .



**C. Valuation framework**

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

**Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 :** The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

**Level 3 :** If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. The Company uses historical experience and other information used in its collective impairment models. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. The Company has considered carrying amount of loans net of impairment loss allowance is of reasonable approximation of their fair value.

The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

The Company has entered into derivative financial instruments with counterparty being a financial institution with investment grade credit ratings. Currency and Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. As at December 31, 2024, the mark-to-market value of derivative liability position is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The Company has measured investments based on market value i.e. NAV as at reporting date.

**17** During the nine months ended December 31, 2024, the Company recorded an allowance for Expected Credit Loss ("ECL"), in respect of loans given, of ₹ 1,611.84 crore with a corresponding charge to the Statement of Profit and Loss in this period, consequent to a significant increase in credit risk evidenced by slowing and delayed collections. In preparing this Unaudited Special Purpose Condensed Interim Financial Statements, the Company has not evaluated whether any of this 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.

**18** The Unaudited Special Purpose Condensed Interim Financial Statement for the 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 of ₹ 91.53 crore has been reversed during the nine months ended December 31, 2024.

*This space is intentionally left blank*

(₹ in crore unless otherwise stated)

**19 Contingent Liabilities, commitments and contingent assets**

**A Contingent liabilities**

The Company has entered into business correspondence arrangement during the year with the bank. As per the terms of the said agreement, the Company has given first loss default guarantee (FLDG) in the form of fixed deposit amounting to ₹ 4 Crore as at December 31, 2024.

	As at December 31, 2024	As at March 31, 2024
Income Tax (Pending with CIT Appeal)	27.80	-
Goods & Service Tax Act (Pending with Appellate Authority)	1.81	-
Goods & Service Tax Act (Pending with State Authority)	3.19	-
First Loss Default Given (FLDG) for Business Correspondences Portfolio	0.78	0.02
	<b>33.58</b>	<b>0.02</b>

**B Commitments**

Capital commitments [Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)] :

Tangible	0.04	-
Intangible	-	-
<b>Total</b>	<b>0.04</b>	<b>-</b>

**C Contingent assets**

There are no contingent assets as at December 31, 2024 and March 31, 2024

**D** The Company has reviewed all litigations having an impact on the financial position, where applicable, has adequately provided for where provision are required . As on March 31, 2024, the Company does not have any material litigation pending with Income tax authorities, Goods and service authorities and other statutory authorities in the ordinary course of business requiring any provision to be provided in books of accounts.

**E** The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

**20 Revenue from contracts with customers**

**(a) Type of services**

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
Facilitation fees	13.74	32.18
Market support income	22.38	43.44
Income from business correspondence services	0.36	-
Income from assigned portfolio management services	0.12	0.04
<b>Total</b>	<b>36.60</b>	<b>75.66</b>

**(b) Geographical markets**

India	36.60	75.66
Outside India	-	-
<b>Total</b>	<b>36.60</b>	<b>75.66</b>

**(c) Timing of revenue recognition**

Service transferred at a point in time	36.60	75.66
Services transferred over time	-	-
<b>Total</b>	<b>36.60</b>	<b>75.66</b>

**(d) Trade receivables**

	As at December 31, 2024	As at March 31, 2024
Facilitation fees	2.24	6.33
Market support services	6.81	7.50
Business correspondence services	0.23	-
Assigned portfolio management services	0.04	0.02
<b>Total</b>	<b>9.33</b>	<b>13.85</b>

for and on behalf of the Board of Directors of  
**Fusion Finance Limited**  
CIN : L65100DL1994PLC061287

DEVESH SACHDEV  
Digitally signed by DEVESH SACHDEV  
Date: 2025.03.13 18:40:39 +05'30'

**Devesh Sachdev**  
Managing Director and Chief Executive Officer  
DIN : 02547111

DEEPAK MADAN  
Digitally signed by DEEPAK MADAN  
Date: 2025.03.13 18:46:13 +05'30'

**Deepak Madan**  
Company Secretary and Chief Compliance Officer  
M. No. A24811

RATNA D VISWANATHAN  
Digitally signed by RATNA D VISWANATHAN  
Date: 2025.03.13 22:15:44 +05'30'

**Ratna Dharashree Vishwanathan**  
Director  
DIN : 07278291

GAURAV MAHESHWARI  
Digitally signed by GAURAV MAHESHWARI  
Date: 2025.03.13 18:50:08 +05'30'

**Gaurav Maheshwari**  
Chief Financial Officer  
M. No. 403832

Place: Gurugram  
Date: March 13, 2025