

Date: 23.05.2025

Letter No. FFL/SEC/2025-26/SE-18

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, FUSIONPP	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652, 890214
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**Sub: Outcome of Board Meeting, Financial Results & Press Release for the Quarter and Financial Year ended on March 31, 2025.**

Dear Sir/Ma'am,

Pursuant to Regulation 30, Regulation 33 read with Schedule III and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we wish to inform that the Board of Directors of the Company in its meeting held today i.e. May 23, 2025, has inter-alia, approved the Audited Financial Results of the Company for the Quarter and Financial Year ended on March 31, 2025 and taken on record the Audit Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company. The aforesaid Board Meeting started at 03:00 PM (IST) and concluded at 09:40 PM (IST).

A copy of the aforesaid Financial Results is enclosed herewith along with the Auditor's Report and Press Release. The same is also available on the website of the Company i.e. [www.fusionfin.com](http://www.fusionfin.com).

Further, please note that the Trading Window of the Company shall open on May 26, 2025 i.e. after the end of 48 hours from the declaration of financial results for the Quarter and Financial Year ended on March 31, 2025.

Kindly take the same on your record.

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

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

**Fusion Finance Limited**  
**Financial Results for Q4 & FY25**

**Fusion Reports Q4 & FY25 Results; AUM at INR 8,980 Crore**

~Successfully completed Rights Issue, subscribed 1.5x~

**Delhi, 23<sup>rd</sup> May 2025:** Fusion Finance Limited (formerly Fusion Micro Finance Limited) [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its audited and reviewed financial performance for the quarter and year ended March 31, 2025.

**Business Highlights FY25**

- AUM stands at INR 8,980 crore as on March 2025
- Total loan disbursements stood at INR 6,971 crore in FY25
- Active borrower base stood at 32.08 lakh as of March 2025
- 1,571 branches across 22 states including 3 Union Territories

**Financial Highlights: FY25**

- Total income stood at INR 2,369 crore in FY25 vs INR 2,412 crore in FY24
- Pre-provision Operating Profit stood at INR 736 crore in FY25 vs INR 1,028 crore in FY24
- Loss After Tax stood at INR 1,225 crore in FY25

**Financial Highlights: Q4 FY25**

- Total income stood at INR 476 crore in Q4 FY25 vs INR 483 crore in Q3 FY25
- Net interest income (NII) for Q4 FY25 increased to INR 268 crore from INR 223 crore in Q3 FY25
- Net Interest Margin (NIM) stood at 8.57% in Q4 FY25 vs 8.86% in Q3 FY25
- Cost of funds stood at 10.52% in Q4 FY25 vs 10.28% in Q3 FY25
- Pre-provision Operating Profit increased to INR 90 crore in Q4 FY25 from INR 65 crore in Q3 FY25
- Loss after tax stood at INR 165 crore in Q4 FY25
- Increased Stage 3 provision coverage to 96.53% in Q4FY25 vs 88% in Q3FY25
- Credit cost decreased to INR 253 crore in Q4FY25 from INR 571 crore in Q3FY25 despite higher provision coverage and accelerated write-offs
- Gross NPA decreased to 7.92% in Q4FY25 from 12.58% in Q3FY25; Net NPA at 0.3%
- Healthy capital adequacy position with CRAR of 22.42% (30%+ proforma for INR 800 crore Rights Issue)
- Robust liquidity of INR 798 crore aggregate of cash and cash equivalents and liquid assets, amounting to 9.63 % of the total assets

*Commenting on the FY25 results, **Mr. Devesh Sachdev, Managing Director**, said, “FY25 had been a challenging year for the industry. We were the first ones to recognize the stress and take early concrete steps to address the issues. Since then, we have witnessed many significant and encouraging results indicating that we are already on our path to recovery. Our Rights Issue was successfully completed in Q4FY25 with a subscription of 1.5x. This reflects the continued strong confidence of existing investors in Fusion while bolstering our capital adequacy.”*

*Sharing his views, **Mr. Sanjay Garyali, Chief Executive Officer**, said, “As I step into this role, I commend Fusion’s early recognition of portfolio stress and the timely, decisive actions that followed. This has set a strong foundation for a healthier, more resilient book. Our portfolio continues to rebalance toward stability, with new book collection efficiency reaching 99.67% in March 2025. We will continue to reinforce this momentum by maintaining robust guardrails across governance, data, and execution — ensuring growth remains disciplined and sustainable.”*

## Financial Snapshot: Q4 & FY25

(₹ In cr)

Particulars	Q4 FY25	Q4 FY24	YoY	Q3 FY25	QoQ	FY25	FY24	YoY
Interest Income	448.68	576.06	(22.11%)	438.18	2.40%	2,134.22	2,091.90	2.02%
Total Income	475.99	675.14	(29.50%)	482.51	(1.35%)	2,368.89	2,412.42	(1.80%)
Finance Cost	179.41	214.88	(16.51%)	213.67	(16.03%)	843.85	790.83	6.70%
Profit/(loss) Before Tax	(164.56)	171.71	-	(507.52)	-	(1,133.01)	663.26	-
Profit/(loss) After Tax	(164.56)	132.69	-	(719.32)	-	(1,224.54)	505.29	-
EPS (Basic) (₹)	(14.97)	12.08		(65.44)		(111.41)	46.06	
EPS (Diluted) (₹)	(14.97)	12.04		(65.44)		(111.41)	45.89	

## Key Metrics: Q4 & FY25

(₹ In cr)

Particulars	Q4 FY25	Q4 FY24	YoY	Q3 FY25	QoQ	FY25	FY24	YoY
AUM	8,979.92	11,476.08	(21.75%)	10,599.37	(15.28%)	8,979.92	11,476.08	(21.75%)
Borrowers	0.321	0.386	(16.84%)	0.366	(12.30%)	0.321	0.386	(16.84%)
Number of Branches	1571	1297	21.13%	1506	4.32%	1571	1297	21.13%
Net Interest Income (NII)	267.93	359.98	(25.57%)	223.35	19.96%	1,285.12	1,295.80	(0.82%)
Pre-Provision Operating Profit (PPOP)	90.12	290.68	(69.00%)	64.77	39.14%	736.48	1,028.12	(28.37%)
Key Ratios								
Net Interest Margin (NIM)	8.57%	11.59%	(26.06%)	8.86%	(3.27%)	10.21%	11.22%	(9.00%)
Cost/Income Ratio	69.61%	36.84%	88.95%	75.91%	(8.30%)	51.71%	36.60%	41.28%
Opex/Average AUM	8.44%	6.12%	37.91%	7.36%	14.67%	7.71%	5.71%	35.03%
Gross NPA	7.92%	2.89%	174.05%	12.58%	(37.04%)	7.92%	2.89%	174.05%
Expected Credit Loss (ECL)	886.93	354.54	150.16%	1,550.68	(42.80%)	886.93	354.54	150.16%
Return on Assets (ROA) (Annualised)	(7.45%)	4.65%	-	(27.58%)	-	(12.20%)	4.78%	-
Return on Equity (ROE) (Annualised)	(38.16%)	19.10%	-	(132.93%)	-	(54.53%)	19.55%	-

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

Fusion Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)], founded in 2010, is amongst India's leading Non-banking Financial Company-Microfinance Institutions (NBFC-MFIs), touching the lives of ~ 32 Lakh clients in the country. Fusion was established with the core idea of creating opportunities at the bottom of the pyramid by providing financial services to the underserved and unserved women entrepreneurs in rural areas. It is one of the youngest companies to be among the top NBFC MFIs in the country with an Asset under Management (AUM) of INR 8,980 crore. The company has been growing consistently with an extensive network of 1,571 branches spread across 22 states including 3 Union Territories, as of 31<sup>st</sup> March 2025. Fusion believes in robust business practices and transparent policies as expressed in its customer-centric efforts toward clients and is committed to creating sustained and balanced stakeholder value.

For more information, please visit [www.fusionfin.com](http://www.fusionfin.com) or contact:

<b><u>Fusion Finance Limited</u></b> <b>Mr. Deepak Madaan</b> <b>(Company Secretary &amp; Compliance Officer)</b> Email: <a href="mailto:investor.relations@fusionfin.com">investor.relations@fusionfin.com</a>  <b>Ms. Pooja Chauhan</b> <b>(Head Corporate Communications)</b> Email: <a href="mailto:Pooja.chauhan@fusionfin.com">Pooja.chauhan@fusionfin.com</a>	<b><u>Adfactors PR Pvt Ltd</u></b> <b>Ms. Maimuna Dhorajiwala</b> <b>(Public Relations)</b> Email: <a href="mailto:maimuna.dhorajiwala@adfactorspr.com">maimuna.dhorajiwala@adfactorspr.com</a>  <b>Mr. Smit Shah</b> <b>(Investor Relations)</b> Email: <a href="mailto:smit.shah@adfactorspr.com">smit.shah@adfactorspr.com</a>
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## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF FUSION FINANCE LIMITED (FORMERLY FUSION MICRO FINANCE LIMITED)

#### Qualified Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2025 and (b) reviewed the Financial Results for the quarter ended March 31, 2025 (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, 2025 of **FUSION FINANCE LIMITED** (Formerly known as FUSION MICRO FINANCE LIMITED) (the "Company"), (the Statement), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "LODR Regulations").

#### (a) Qualified Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and except for the possible effects of the matter described in Basis for Qualified Opinion section below the Financial Results for the year ended March 31, 2025:

- i. are presented in accordance with the requirements of Regulation 33 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 loss and other 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, 2025

With respect to the Financial Results for the quarter ended March 31, 2025, 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, 2025, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### Basis for Qualified Opinion

As stated in Note 6 to the Statement, the Company has not evaluated whether any of the expected credit allowances recognised in the year ended March 31, 2025 should be retrospectively adjusted to the previously reported amounts in any of the prior periods 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 periods presented.

This matter was also modified in our report on financial results for the quarters ended September and December 2024.

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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, 2025 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 qualified audit opinion.

#### **Material uncertainty related to Going Concern**

We draw attention to Note 7 to the Statement which describes the material uncertainty in relation to the going concern assumption used in the preparation of the Statement. This condition and other matters stated in the Note indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion and conclusion is not modified in respect of this matter.

#### **Management's and Board of Directors' Responsibilities for the Statement**

This Statement which includes the Standalone 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, 2025 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, 2025 that give a true and fair view of the net loss and other comprehensive loss/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 of the LODR 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 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





The Board of Directors is 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, 2025**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2025, as a whole are 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 of the LODR 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities or business activities included in the Annual Financial Results of which we are the independent auditors.



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, 2025**

We conducted our review of the Financial Results for the quarter ended March 31, 2025 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, 2025 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 this matter.



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

**(Jitendra Agarwal)**  
Partner  
(Membership No.087104)  
(UDIN: 25087104BMJGWB8706)

Place: Gurugram  
Date: May 23, 2025

**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)**  
**CIN: L65100DL1994PLC061287**  
**Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028**  
**Statement of Financial results for the quarter and year ended March 31, 2025**

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Year ended	
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
	Unaudited*	Unaudited	Unaudited*	Audited	Audited
Interest income	448.68	438.18	576.06	2,134.22	2,091.90
Fees and commission income	1.04	2.66	9.49	15.14	41.67
Net gain on fair value changes	16.36	24.81	17.63	81.26	52.86
Net gain on derecognition of financial instruments under amortised cost category	-	8.16	42.81	89.14	130.30
<b>Total revenue from operations</b>	<b>466.08</b>	<b>473.81</b>	<b>645.99</b>	<b>2,319.76</b>	<b>2,316.73</b>
Other income	9.91	8.70	29.15	49.13	95.69
<b>Total income</b>	<b>475.99</b>	<b>482.51</b>	<b>675.14</b>	<b>2,368.89</b>	<b>2,412.42</b>
<b>Expenses</b>					
Finance costs	179.41	213.67	214.88	843.85	790.83
Impairment on financial instruments	254.68	572.29	118.97	1,869.49	364.86
Employee benefit expense	146.20	151.17	122.23	573.24	431.22
Depreciation and amortization expense	3.26	3.20	2.78	11.67	9.01
Other expenses	57.00	49.70	44.57	203.65	153.24
<b>Total expenses</b>	<b>640.55</b>	<b>990.03</b>	<b>503.43</b>	<b>3,501.90</b>	<b>1,749.16</b>
<b>Profit/(loss) before tax for the period/year</b>	<b>(164.56)</b>	<b>(507.52)</b>	<b>171.71</b>	<b>(1,133.01)</b>	<b>663.26</b>
<b>Tax expense/(credit):</b>					
Current tax	-	(69.20)	45.42	-	172.30
Deferred tax	-	281.00	(6.40)	91.53	(14.33)
<b>Income tax expense</b>	<b>-</b>	<b>211.80</b>	<b>39.02</b>	<b>91.53</b>	<b>157.97</b>
<b>Profit/(loss) after tax for the period/year</b>	<b>(164.56)</b>	<b>(719.32)</b>	<b>132.69</b>	<b>(1,224.54)</b>	<b>505.29</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement gains on defined benefit plans	(0.60)	(0.03)	0.35	1.28	1.64
Income tax effect	-	0.48	(0.09)	-	(0.41)
<b>Total other comprehensive income/(loss)</b>	<b>(0.60)</b>	<b>0.45</b>	<b>0.26</b>	<b>1.28</b>	<b>1.23</b>
<b>Total comprehensive income/(loss) for the period/year</b>	<b>(165.16)</b>	<b>(718.87)</b>	<b>132.95</b>	<b>(1,223.26)</b>	<b>506.52</b>
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.65	100.65	100.62	100.65	100.62
Other Equity				1,542.68	2,747.53
<b>Earnings per share (equity share, par value of ₹ 10 each)</b>					
Computed on the basis of total profit/(loss) for the period/year (Refer Note 5)					
<b>Basic earnings per share (BEPS) # (₹)</b>	<b>(14.97)</b>	<b>(65.44)</b>	<b>12.08</b>	<b>(111.41)</b>	<b>46.06</b>
<b>Diluted earnings per share (DEPS) # (₹)</b>	<b>(14.97)</b>	<b>(65.44)</b>	<b>12.04</b>	<b>(111.41)</b>	<b>45.89</b>

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

\*Refer Note 15

Place: Gurugram  
Date: May 23, 2025



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

Devesh Sachdev  
Managing Director



Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)  
CIN: L65100DL1994PLC061287  
Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028

NOTES

Note 1 : Statement of Audited Assets and Liabilities as at March 31, 2025

Particulars	(₹ in crore unless otherwise stated)	
	As at March 31, 2025	As at March 31, 2024
	Audited	Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	783.05	1,474.69
Bank balance other than cash and cash equivalents	70.00	78.50
Trade receivables	3.70	13.85
Loans	7,261.15	9,947.87
Investments	2.07	2.06
Other financial assets	59.04	99.41
<b>Total financial assets</b>	<b>8,179.01</b>	<b>11,616.38</b>
<b>Non-financial assets</b>		
Current tax assets (net)	33.61	3.25
Deferred tax assets (net)	-	91.67
Property, plant and equipment	15.44	22.44
Right of use asset	9.11	8.46
Intangible assets	2.89	0.54
Intangible assets under development	2.38	2.18
Other non- financial assets	50.23	29.40
<b>Total non-financial assets</b>	<b>113.66</b>	<b>157.94</b>
<b>Total assets</b>	<b>8,292.67</b>	<b>11,774.32</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Derivative financial instrument	0.17	0.01
Trade payables		
total outstanding dues of micro enterprises and small enterprises	1.85	1.84
total outstanding dues of creditors other than micro enterprises and small enterprises	74.74	65.89
Debt securities	145.00	201.59
Borrowings (other than debt securities)	6,203.24	8,360.92
Subordinated liabilities	53.78	53.39
Other financial liabilities	126.18	176.39
<b>Total financial liabilities</b>	<b>6,604.96</b>	<b>8,860.03</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	-	-
Provisions	16.00	10.54
Other non-financial liabilities	28.38	55.60
<b>Total non-financial liabilities</b>	<b>44.38</b>	<b>66.14</b>
<b>Total liabilities</b>	<b>6,649.34</b>	<b>8,926.17</b>
<b>EQUITY</b>		
Equity share capital	100.65	100.62
Other equity	1,542.68	2,747.53
<b>Total equity</b>	<b>1,643.33</b>	<b>2,848.15</b>
<b>Total liabilities and equity</b>	<b>8,292.67</b>	<b>11,774.32</b>





Note 2 : Statement of Audited Cash flows for the year ended March 31, 2025

Particulars	(₹ in crore unless otherwise stated)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
	Audited	Audited
<b>Cash flow from operating activities</b>		
Profit/(loss) before Tax	(1,133.01)	663.26
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	11.67	9.01
(Gain)/ Loss on sale of property, plant & equipment	1.40	0.02
Impairment of financial instruments-Loans	1,864.91	361.08
(Gain)/ Loss on fair value changes	(0.07)	(0.06)
Impairment of financial instruments-other financial assets	4.58	3.78
Finance cost on lease liability	1.23	0.99
Net gain on sale of investment	(81.19)	(52.80)
Net gain on derecognition of financial instruments under amortised cost category	(89.14)	(130.30)
Employee share based compensation	12.89	13.11
Effective interest rate adjustment for financial instruments	(0.63)	(1.94)
Net foreign exchange differences	3.75	0.83
Fair value loss on derivative financial instruments	0.16	0.14
<b>Operating cash flow before working capital changes</b>	<b>596.55</b>	<b>867.12</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in loans	821.81	(2,267.39)
(Increase)/decrease in trade receivables	10.15	0.56
(Increase)/decrease in other financial assets	124.93	123.15
(Increase)/decrease in other non- financial assets	(20.83)	(20.35)
(Increase)/decrease in bank balance other than cash and cash equivalents	8.50	36.17
Increase/(decrease) in trade payables	8.86	(3.90)
Increase/(decrease) in other financial liability	(51.24)	18.38
Increase/(decrease) in provisions	6.74	1.28
Increase/(decrease) in other non-financial liabilities	(27.22)	32.54
<b>Cash flow from / (used in) operations</b>	<b>1,478.25</b>	<b>(1,212.44)</b>
Income tax paid	(30.37)	(137.90)
<b>Net cash flow from / (used in) operating activities (A)*</b>	<b>1,447.88</b>	<b>(1,350.34)</b>
<b>II. Cash flow from investing activities</b>		
Purchase of property, plant and equipments	(6.64)	(16.39)
Proceeds from sale of property, plant and equipment	3.65	0.01
Purchase of intangible assets	0.00	(0.65)
Payment against intangible assets under development	(3.86)	(2.18)
Payment against right of use assets	-	(0.11)
Purchase of investments	(12,289.73)	(12,752.00)
Proceeds from sale of investments	12,370.98	12,802.80
<b>Net cash flow from investing activities (B)</b>	<b>74.40</b>	<b>31.48</b>
<b>III. Cash flow from financing activities</b>		
Proceeds from issue of employee stock options	0.97	6.60
Share premium (net of expenses)	4.72	-
Repayment of debt securities	(56.67)	(427.46)
Repayment of borrowings (other than debt securities)	(6,190.46)	(4,847.13)
Proceeds from borrowings (other than debt securities)	4,030.13	7,173.19
Repayment of subordinated debt	-	(59.99)
Payment of lease liability	(2.61)	(2.02)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(2,213.92)</b>	<b>1,843.19</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(691.64)</b>	<b>524.33</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>1,474.69</b>	<b>950.36</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>783.05</b>	<b>1,474.69</b>

\* Cash flow from operating activities includes interest received of ₹ 2,195.25 crore (31 March 2024: ₹ 2,069.66 crore) and interest paid of ₹ 808.14 crore (31 March 2024: ₹ 767.24 crore).



**Fusion Finance Limited (formerly known as Fusion Micro Finance Limited)**  
(CIN: L65100DL1994PLC061287)  
**Registered office address: H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028**  
**Financial results for the quarter and year ended March 31, 2025**

3. The financial results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors of Fusion Finance Limited ("the Company") in their meeting held on May 23, 2025. The Company has prepared these financial results in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015") and the accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and relevant provisions of the Companies Act, 2013, as applicable. The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statement for the year ended March 31, 2024. The limited review of financial results for the quarter ended March 31, 2025 and audit of financial results for the year ended March 31, 2025, 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. Pursuant to the Board of Directors approval dated December 04, 2024 for issue of equity shares by way of Rights Issue ("Rights Issue") for an amount of ₹ 799.86 crore, the Company had filed Letter of Offer on March 29, 2025. The issue opened for subscription on April 15, 2025 and closed on April 25, 2025. The rights issue was oversubscribed 1.5 times. The Rights Issue Committee on May 2, 2025 approved the allotment of 6,10,58,392 equity shares at a price ₹ 131 per equity share (including premium of ₹ 121 per equity share) which is partly paid-up at a price ₹ 65.50 per equity share (including a premium of ₹ 60.50 per equity share) aggregating to ₹ 399.93 crore to the eligible shareholders.

Pursuant to above, the earnings per share (basic & diluted) has been restated for the quarter and year ended March 31, 2025 along with comparative period/years.

6. During the year ended March 31, 2025, the Company recorded an allowance for Expected Credit Loss ("ECL") of ₹ 1,864.91 crore, in respect of loans given, with a corresponding charge to the Statement of Profit and Loss, consequent to a significant increase in credit risk evidenced by slowing and delayed collections. In preparing this statement, the Company has not evaluated whether any of these allowance should have been recognized in any of the prior period presented because of limitations in objectively determining information relating to assumptions and circumstances as it existed in those prior periods. As a result, the Company has concluded that it was impracticable to evaluate and determine any amounts for retrospective recognition and measurement in those prior periods.
7. The Statement for the quarter and year ended March 31, 2025 has been prepared on a going concern basis. As at March 31, 2025, the Company had breached various financial covenants (in respect of borrowings amounting to ₹ 4,762.62 crore as at March 31, 2025) resulting in these borrowings becoming repayable on demand. The Company has obtained extension, of less than 12 months and equal to or more than 12 months from testing date for said breaches from lenders whose borrowings as of March 31, 2025 aggregate ₹ 3,748.90 crore and ₹ 331.02 crore respectively. 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 ₹ 798.36 crores in as at March 31, 2025.

Subsequent to the year end, the Company has completed the rights issue for equity infusion aggregating to ₹ 799.86 crore as mentioned in Note 5 given above.

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 (net) carried at ₹ 91.67 crore as of March 31, 2024, has been reversed during the current financial year.





8. (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 half year i.e., September 30, 2024 (A)	of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2025 (B)	of (A), amount written-off during the half year ended March 31, 2025 (C)	of (A), amount paid by the borrowers during the half year ended March 31, 2025 * (D)	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, 2025 (A-C-D)
JLG loans	0.76	-	0.04	0.03	0.69
MSME loans	0.04	-	0.02	0.02	-

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

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

(₹ in crore unless otherwise stated)

Particulars	For the quarter ended March 31, 2025	
	Total unweighted value (average)	Total weighted value (average)
<b>High Quality Liquid Assets</b>		
1 Total High Quality Liquid Assets (HQLA)	-	421.20
<b>Cash Outflows</b>		
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	690.84	794.46
<b>Total Cash Outflows</b>	<b>690.84</b>	<b>794.46</b>
<b>Cash Inflows</b>		
7 Secured lending	-	-
8 Inflows from fully performing exposures	-	-
9 Other cash inflows	786.77	590.08
<b>Total Cash Inflows</b>	<b>786.77</b>	<b>590.08</b>
		<b>Total Adjusted Value</b>
<b>Total HQLA</b>		<b>421.20</b>
<b>Total net cash outflows</b>		<b>204.38</b>
<b>Liquidity Coverage ratio (%)</b>		<b>206.09%</b>
Following assets formed part of HQLA		
<b>Assets</b>		
Cash on hand		10.96
Balances with banks – Current Accounts		410.24
<b>Total</b>		<b>421.20</b>



10. The Microfinance Institution (MFI) segment in which the Company operates has experienced a difficult and challenging year, marked by a broad-based increase in delinquencies across the sector. This deterioration was driven by multiple factors, including widespread borrower stress primarily due to overleveraging and elevated indebtedness across lenders and other factors. These factors collectively contributed to elevated delinquencies and gross slippage during the year. As a prudent and conservative measure, the Company undertook an additional accelerated write-off of ₹ 405.20 crore during the quarter, which resulted in an increase in credit costs and a loss for the quarter and year ended March 31, 2025.

The Company remains committed to improving recovery efforts at the field level and is confident of achieving better outcomes. Any subsequent recoveries will be recognised as income and credited to the statement of profit and loss in the period of recovery.

11. (i) The Company, during the quarter and year ended March 31, 2025, has granted Nil and 4,20,700 stock options to the employees respectively, in accordance with the Company's Employee Stock Option Scheme(s).

(ii) The Company, during the quarter and year ended March 31, 2025, has issued Nil and 33,700 number of equity shares, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

12. Details of loans transferred/acquired during the quarter ended March 31, 2025, under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

- (i) The Company has not transferred any loans through assignment.
- (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.

13. The managerial remuneration paid to the Managing Director of the Company is ₹ 6.32 crore for the current financial year which exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 4.81 crore. As per the provision of the act, the excess amount is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming General Meeting. The excess amount is determined as per Schedule V to the Companies Act, 2013.

14. 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.

15. The figures for the quarter ending as on March 31, 2025 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2025 and the unaudited published year-to-date figures up to December 31, 2024, 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, 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.

16. The above financial results are available on the stock exchange website's i.e., National Stock Exchange ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and can be accessed on the website of the Company ([www.fusionfin.com](http://www.fusionfin.com)).

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



Devesh Sachdev  
Managing Director

Place: Gurugram  
Date: May 23, 2025



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION)**  
**SUBMITTED ALONGWITH ANNUAL AUDITED FINANCIAL RESULTS FOR FINANCIAL YEAR ENDED**  
**MARCH 31, 2025**

Statement on Impact of Audit Qualifications for Financial Year ended March 31, 2025 (See Regulation 33 of the SEBI (LODR) Regulations, 2015)				
	S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1	Turnover / Total income	2,368.89	2,368.89
	2	Total Expenditure	3,501.90	3,501.90
	3	Net Profit/(Loss)	(1,224.54)	(1,224.54)
	4	Earnings Per Share (Basic)	(111.41)	(111.41)
	5	Total Assets	8,292.67	8,292.67
	6	Total Liabilities	6,649.34	6,649.34
	7	Net Worth	1,643.33	1,643.33
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<p>Audit Qualification (each audit qualification separately):</p> <p>a. Details of Audit Qualification: The Company has not evaluated whether any of the expected credit allowances recognised in the year ended March 31, 2025 should be retrospectively adjusted to the previously reported amounts in any of the prior periods presented because of impracticability as described in Ind AS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. In the absence of sufficient and appropriate evidence, auditors 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 periods presented.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: First time for financial year 2024-25. This matter was also modified in auditors report on financial results for the quarters ended September 2024 and December 2024.</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Unquantifiable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>i. Management's estimation on the impact of audit qualification: NA</p> <p>ii. If management is unable to estimate the impact, reasons for the same: The Company has not evaluated whether any of these allowance should have been recognized in any of the prior period presented because of limitations in objectively determining information relating to assumptions and circumstances as it existed in those prior periods. As a result, the Company has concluded that it was impracticable to evaluate and determine any amounts for retrospective recognition and measurement in those prior periods.</p> <p>iii. Auditors' Comments on (i) or (ii) above: The Company has not evaluated whether any of the expected credit allowances recognised in the year ended March 31, 2025 should be retrospectively adjusted to the previously reported amounts in any of the prior periods presented because of impracticability as described in Ind AS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. In the absence of</p>			

	sufficient and appropriate evidence, auditors 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 periods presented.
III	<p>Signatory: _____</p> <p>Devesh Sachdev (Managing Director)</p>
	<p>Date: May 23, 2025</p> <p>Place: Gurugram</p>