



# Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

**Letter No. FFL/SEC/2024-25/132**

**Date: 18.12.2024**

To,

BSE Limited,

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001

Scrip Code: 543652

**Sub: Response submitted on BSE Listing Portal**

Dear Sir/Ma'am,

As advised by BSE, we have enclosed herewith the response submitted to BSE on December 11, 2024, in relation to the communication issued on BSE Listing Centre Portal dated November 26, 2024, regarding delay in submission of financial results for the quarter and six months period ended September 30, 2024.

You are requested to update the same in your records.

**Thanking you,**

**Yours faithfully,**

**For Fusion Finance Limited**

**(Formerly known as Fusion Micro Finance Limited)**

**Deepak Madaan**

**Company Secretary & Chief Compliance Officer**

**Membership No. A24811**

**Place: Gurugram**



CIN : L65100DL1994PLC061287

# Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

Date: 11.12.2024

Letter No. FFL/SEC/2024-25/SE-131

To,

The Manager  
Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

**Re: Further Reply to query raised on BSE Listing Centre dated November 26, 2024, regarding delay in submission of financial results for the Quarter and period ended September 30, 2024.**

Dear Sir/Ma'am,

This is in furtherance to the clarification sought by your office on December 11, 2024, regarding delay in submission of financial results for the quarter and period ended September 30, 2024.

We wish to inform that the company vide its letter ref. FFL/SEC/2024-25/123 dated November 27, 2024, has informed the exchange that the Board Meeting held on November 14, 2024 was commenced at 5:00 PM and continued till 11:45 PM and after adjournment, the same meeting resumed at 10:00 AM and concluded at 08:20 PM on November 15, 2024, due to which the financial results of the company for the quarter and period ended on September 30, 2024 were approved by the board of director on November 15, 2024 and submitted accordingly on November 15, 2024. **Our letter dated November 27, 2024, was also submitted on BSE Listing Portal on November 27, 2024.**

We are submitting once again the copy of the response dated November 27, 2024, along with the outcome of the Board meeting which concluded on November 15, 2024, for your ready reference.

Request you to kindly take the same in your records.

Thanking You

Yours Faithfully

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

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**Deepak Madaan**  
**(Company Secretary & Chief Compliance Officer)**  
**Membership No. A24811**

**Place: Gurugram**



# Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

**Letter No. FFL/SEC/2024-25/123**

**Date: 27.11.2024**

To,

BSE Limited,

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001

Scrip Code: 543652

**Sub: Reply to query raised on BSE Listing Centre dated November 26, 2024 regarding delay in submission of financial results for the Quarter and period ended September 30, 2024.**

Dear Madam,

This is in reference to the clarification sought by your office on November 26, 2024 regarding delay in submission of financial results for the quarter and period ended September 30, 2024.

**Query:**

Non-Disclosure of reasons for delay in submission of financial results for quarter and period ended September 30, 2024.

**Reply:**

It is to inform that the Board Meeting held on November 14, 2024 commenced at 5:00 PM and continued till 11:45 PM and after adjournment, the same meeting resumed at 10:00 AM and concluded at 08:20 PM on November 15, 2024.

This is to further inform that the financial results of the company for the quarter ended on September 30, 2024 were approved by the board of director on November 15, 2024. Accordingly, the outcome of the same was uploaded on BSE listing portal on November 15, 2024 at 08:36 PM. The same can be accessed via link: <https://www.bseindia.com/xml-data/corpfiling/AttachHis/d72aca7b-c1fe-40dc-bdfa-15dbd9796201.pdf>.

Further, the copy of the outcome of the Board meeting which concluded on November 15, 2024 is attached herewith for your reference.

You are requested to consider the above facts and update the same in your records.

Thanking you,

Yours faithfully,

For Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

**DEEPAK  
MADAAN**

Digitally signed by  
DEEPAK MADAAN  
Date: 2024.11.27  
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Deepak Madaan

Company Secretary & Chief Compliance Officer

Membership No. A24811

Place: Gurugram

Date: 15.11.2024

Letter No. FFL/SEC/2024-25/SE-108

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 Scrip Code: FUSION	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652
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**Sub: Outcome of Board Meeting.**

Dear Sir/Ma'am,

With reference to our intimation letter no. FFL/SEC/2024-25/SE-107 dated November 10, 2024 under Regulation 29 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the outcome of the Board Meeting commenced at 5:00 PM on November 14, 2024 which continued till 11:45 PM and after adjournment, the same meeting resumed at 10:00 AM and concluded at 08:20 PM on November 15, 2024.

Pursuant to Regulation 30 (read with Part A of Schedule III), read with Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), we wish to inform that the Board of Directors of the Company in its adjourned meeting held today i.e. on Friday, November 15, 2024 has, inter-alia, approved the unaudited Financial Results of the company for the Quarter and Half Year ended on September 30, 2024 along with the Limited Review Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company.

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

Request you to take the same on records.

Thanking you,

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

DEEPAK Digitally signed  
by DEEPAK  
MADAAAN  
Date: 2024.11.15  
20:30:31 +05'30'

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

## Fusion Finance Limited – Financial Results for Q2 FY25

### **Fusion’s AUM Grows to INR 11,571 Crore in Q2 FY2025; Pre-provision Operating Profit Grows by 17.39% YoY**

**Delhi, 15<sup>th</sup> November 2024:** Fusion Finance Limited (formerly Fusion Micro Finance Limited) [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its unaudited and limited reviewed financial performance for the second quarter of the financial year 2024-25.

#### **Business Highlights: Q2 FY25**

- Asset Under Management (AUM) grows by 15.41% from INR 10,026 crore in Q2 FY24 to INR 11,571 crore in Q2 FY25
- Disbursements stand at INR 1,661 crore in Q2 FY25
- Borrower base Stands at 38.52 lakh~
- 65 branches added in Q2 FY25, increasing the total branch network to 1,463 across 22 States, including 3 Union Territories

#### **Financial Highlights: Q2 FY25**

- Total income increases by 23.19% YoY from INR 571 crore in Q2 FY24 to INR 704 in Q2 FY25
- Net interest income (NII) increases by 30.46% YoY from INR 305 crore in Q2 FY24 to INR 397 crore in Q2 FY25
- Net Interest Margin (NIM) increases from 11.12% to 11.48% (YoY)
- Cost of Fund reduces from 10.55% to 10.05% (YoY)
- Pre-provision Operating Profit (PPOP) increases 17.39% YoY from INR 242 crore in Q2 FY24 to INR 284 crore in Q2 FY25; Overall profitability impacted leading to a loss of INR 305 crore due to higher than usual provisioning.
- Gross NPA stands at 9.41%; Net NPA at 2.41%
- Healthy capital adequacy position with CRAR of 24.39%
- Robust liquidity of INR 1,793 crore of cash and cash equivalents, amounting to 15.62% of the total assets

*Speaking on the results **Devesh Sachdev, MD & CEO, Fusion Finance Limited** said, “During Q2 FY25, we continued to experience the impact of delinquency trends seen industrywide, making this a tough quarter. As shared previously, we have been closely tracking the evolving credit behaviour of the borrowers and have implemented strong measures to tighten credit criteria for new disbursements along with an increased focus on field collections and have also curtailed our growth resulting in muted AUM numbers QoQ basis. Our ECL provisioning for this quarter is higher, thus impacting our overall profitability. Having said that, our pre-provisioning profit (PPOP) on YoY basis remains steady, and we continue to have a strong Balance Sheet with a healthy CAR of 24.39%. We expect to file the documents for Rights Issue of up to INR 550 crore in this quarter. As we continue to take a calibrated approach, our focus will be on treading the prudent growth path.”*

#### **Financial Snapshot: Q2 FY25**

(₹ in crore)

Particulars	Q2 FY25	Q2 FY24	YoY%	Q1 FY25	QoQ%	H1FY25	H1FY24	YoY%
Interest Income	626.08	496.80	26.02%	621.28	0.77%	1,247.36	975.80	27.83%
Total Income	703.71	571.26	23.19%	706.68	(0.42%)	1,410.39	1,124.04	25.48%
Finance Cost	227.36	191.01	19.03%	223.41	1.77%	450.77	374.49	20.37%
Profit/(loss) Before Tax	(410.21)	165.59	(347.73%)	(50.72)	-	(460.93)	325.05	(241.80%)
Profit/(loss) After Tax	(305.04)	125.69	(342.69%)	(35.62)	-	(340.66)	246.15	(238.40%)
EPS (Basic) (₹)	(30.31)	12.52		(3.54)		(33.85)	24.52	
EPS (Diluted) (₹)	(30.31)	12.43		(3.54)		(33.85)	24.35	

## Key Metrics: Q2 FY25

(₹ in crore)

Particulars	Q2 FY25	Q2 FY24	YoY%	Q1 FY25	QoQ%	H1FY25	H1FY24	YoY%
AUM	11,571.15	10,026.43	15.41%	12,192.58	(5.10%)	11,571.15	10,026.43	15.41%
Borrowers	0.385	0.369	4.34%	0.395	(2.53%)	0.385	0.369	4.34%
Number of Branches	1463	1164	25.69%	1398	4.65%	1463	1164	25.69%
Particulars	Q2 FY25	Q2 FY24	YoY%	Q1 FY25	QoQ%	H1FY25	H1FY24	YoY%
Net Interest Income (NII)	397.29	304.54	30.46%	396.55	0.19%	793.84	598.61	32.61%
Pre-Provision Operating Profit (PPOP)	283.84	241.79	17.39%	297.75	(4.67%)	581.59	477.18	21.88%
Key Ratios	Q2 FY25	Q2 FY24	YoY%	Q1 FY25	QoQ%	H1FY25	H1FY24	YoY%
Net Interest Margin (NIM)	11.48%	11.12%	3.24%	11.64%	(1.37%)	11.55%	10.89%	6.06%
Cost/Income Ratio	40.41%	36.41%	10.99%	38.39%	5.26%	39.39%	36.34%	8.39%
Opex/Average AUM	6.48%	5.61%	15.51%	6.27%	3.35%	6.56%	5.64%	16.31%
Gross NPA	9.41%	2.68%	251.12%	5.46%	72.34%	9.41%	2.68%	251.12%
Expected Credit Loss (ECL)	1,140.62	300.24	279.90%	644.06	77.10%	1,140.62	300.24	279.90%
Return on Assets (ROA) (Annualised)	(10.28%)	4.94%	-	(1.19%)	-	(5.86%)	4.97%	-
Return on Equity (ROE) (Annualised)	(45.69%)	20.02%	-	(5.03%)	-	(25.37%)	20.10%	-

### 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 ~ 38.5 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 11,571 crore. The company has been growing consistently with an extensive network of 1,463 branches spread across 22 states including 3 Union Territories, as of 30<sup>th</sup> September 2024. Fusion believes in robust business practices and transparent policies as expressed in its customer-centric efforts toward clients and is committed to creating sustained and balanced stakeholder value.

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

Deepak Madaan – [investor.relations@fusionfin.com](mailto:investor.relations@fusionfin.com)

Company Secretary & Compliance Officer

**Fusion Finance Limited**

Pooja Chauhan – [pooja.chauhan@fusionfin.com](mailto:pooja.chauhan@fusionfin.com)

Head – Corporate Communications

**Fusion Finance Limited**

Sherry Advant – [sherry.advant@archetype.co](mailto:sherry.advant@archetype.co) / 9810355432

Public Relations

**Archetype India**



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

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

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Fusion Finance Limited (Formerly known as Fusion Micro Finance Limited) ("the Company"), for the quarter ended and six months ended September 30, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As stated in Note 7 to the Statement, the Company has not evaluated whether any of the expected credit allowances recognised in the quarter and six months ended 30 September 2024 should be retrospectively adjusted to the previously reported amounts in any of the prior period presented because of impracticability as described in Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. In the absence of sufficient and appropriate evidence, we are unable to comment on the Company's basis of impracticability to evaluate and determine whether any retrospective adjustment should have been made to previously reported amounts in any of the prior period presented.
5. Based on our review conducted as stated in paragraph 3 above except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to Note 8 to the Statement which describes the material uncertainty in relation to the going concern assumption used in the preparation of the Statement. This condition and other matters stated in the Note indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.



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

A handwritten signature in black ink, appearing to read "Jitendra Agarwal".

**Jitendra Agarwal**  
Partner  
Membership No. 87104  
(UDIN: 24087104BKCUJP2636)

Place: Gurugram  
Date: November 15, 2024



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 half year ended September 30, 2024

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income	626.08	621.28	496.80	1,247.36	975.80	2,091.90
Fees and commission income	4.42	7.02	8.49	11.44	24.59	41.67
Net gain on fair value changes	22.20	17.89	11.83	40.09	22.62	52.86
Net gain on derecognition of financial instruments under amortised cost category	38.85	42.13	29.52	80.98	54.70	130.30
<b>Total revenue from operations</b>	<b>691.55</b>	<b>688.32</b>	<b>546.64</b>	<b>1,379.87</b>	<b>1,077.71</b>	<b>2,316.73</b>
Other income	12.16	18.36	24.62	30.52	46.33	95.69
<b>Total income</b>	<b>703.71</b>	<b>706.68</b>	<b>571.26</b>	<b>1,410.39</b>	<b>1,124.04</b>	<b>2,412.42</b>
<b>Expenses</b>						
Finance costs	227.36	223.41	191.01	450.77	374.49	790.83
Impairment on financial instruments	694.05	348.47	76.20	1,042.52	152.13	364.86
Employee benefit expense	140.47	135.40	99.28	275.87	197.12	431.22
Depreciation and amortization expense	2.85	2.36	2.09	5.21	3.85	9.01
Other expenses	49.19	47.76	37.09	96.95	71.40	153.24
<b>Total expenses</b>	<b>1,113.92</b>	<b>757.40</b>	<b>405.67</b>	<b>1,871.32</b>	<b>798.99</b>	<b>1,749.16</b>
<b>Profit/(loss) before tax for the period/year</b>	<b>(410.21)</b>	<b>(50.72)</b>	<b>165.59</b>	<b>(460.93)</b>	<b>325.05</b>	<b>663.26</b>
<b>Tax expense/(credit):</b>						
Current tax	9.49	59.71	36.23	69.20	84.09	172.30
Deferred tax	(114.66)	(74.81)	3.67	(189.47)	(5.19)	(14.33)
<b>Income tax expense</b>	<b>(105.17)</b>	<b>(15.10)</b>	<b>39.90</b>	<b>(120.27)</b>	<b>78.90</b>	<b>157.97</b>
<b>Profit/(loss) after tax for the period/year</b>	<b>(305.04)</b>	<b>(35.62)</b>	<b>125.69</b>	<b>(340.66)</b>	<b>246.15</b>	<b>505.29</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Remeasurement gains on defined benefit plans	0.60	1.31	0.86	1.91	1.18	1.64
Income tax effect	(0.15)	(0.33)	(0.22)	(0.48)	(0.30)	(0.41)
<b>Total other comprehensive income</b>	<b>0.45</b>	<b>0.98</b>	<b>0.64</b>	<b>1.43</b>	<b>0.88</b>	<b>1.23</b>
<b>Total comprehensive income for the period/year</b>	<b>(304.59)</b>	<b>(34.64)</b>	<b>126.33</b>	<b>(339.23)</b>	<b>247.03</b>	<b>506.52</b>
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.65	100.65	100.48	100.65	100.48	100.62
Other Equity						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						
<b>Basic earnings per share (BEPS) # (₹)</b>	<b>(30.31)</b>	<b>(3.54)</b>	<b>12.52</b>	<b>(33.85)</b>	<b>24.52</b>	<b>50.30</b>
<b>Diluted earnings per share (DEPS) # (₹)</b>	<b>(30.31)</b>	<b>(3.54)</b>	<b>12.43</b>	<b>(33.85)</b>	<b>24.35</b>	<b>50.11</b>

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

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

*(Signature)*  
Deyesh Sachdev  
Managing Director and CEO

Place: Gurugram  
Date: November 15, 2024



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

**NOTES**

**Note 1 : Statement of Unaudited Assets and Liabilities as at September 30, 2024**

(₹ in crore unless otherwise stated)

Particulars	As at September 30, 2024	As at September 30, 2023	As at March 31, 2024
	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,793.06	1,400.43	1,474.69
Bank balance other than cash and cash equivalents	57.50	60.70	78.50
Trade receivables	13.15	12.44	13.85
Loans	9,139.34	8,694.71	9,947.87
Investments	2.07	2.02	2.06
Other financial assets	122.20	84.91	99.41
Derivative financial instrument	0.50	-	-
<b>Total financial assets</b>	<b>11,127.82</b>	<b>10,255.21</b>	<b>11,616.38</b>
<b>Non-financial assets</b>			
Current tax assets (net)	3.79	34.87	3.25
Deferred tax assets (net)	280.48	82.64	91.67
Property, plant and equipment	16.81	14.47	22.44
Capital work-in-progress	0.47	-	-
Right of use asset	10.40	8.52	8.46
Intangible assets	3.89	0.11	0.54
Intangible assets under development	0.31	0.73	2.18
Other non- financial assets	36.68	35.20	29.40
<b>Total non-financial assets</b>	<b>352.83</b>	<b>176.54</b>	<b>157.94</b>
<b>Total assets</b>	<b>11,480.65</b>	<b>10,431.75</b>	<b>11,774.32</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial instrument	-	1.31	0.01
Trade payables			
total outstanding dues of micro enterprises and small enterprises	0.19	-	1.84
total outstanding dues of creditors other than micro enterprises and small	57.71	73.84	65.89
Debt securities	181.22	537.14	201.59
Borrowings (other than debt securities)	8,406.51	6,907.55	8,360.92
Subordinated liabilities	53.58	83.21	53.39
Other financial liabilities	163.77	209.18	176.39
<b>Total financial liabilities</b>	<b>8,862.98</b>	<b>7,812.23</b>	<b>8,860.03</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	36.83	0.01	-
Provisions	13.56	13.34	10.54
Other non-financial liabilities	44.61	29.24	55.60
<b>Total non-financial liabilities</b>	<b>95.00</b>	<b>42.59</b>	<b>66.14</b>
<b>Total liabilities</b>	<b>8,957.98</b>	<b>7,854.82</b>	<b>8,926.17</b>
<b>EQUITY</b>			
Equity share capital	100.65	100.48	100.62
Other equity	2,422.02	2,476.45	2,747.53
<b>Total equity</b>	<b>2,522.67</b>	<b>2,576.93</b>	<b>2,848.15</b>
<b>Total liabilities and equity</b>	<b>11,480.65</b>	<b>10,431.75</b>	<b>11,774.32</b>



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

Note 2 : Statement of Unaudited Cash flows for the half year ended September 30, 2024

(₹ in crore unless otherwise stated)

Particulars	For the half year ended	For the half year ended	For the year ended
	September 30, 2024	September 30, 2023	March 31, 2024
	Unaudited	Unaudited	Audited
<b>Cash flow from operating activities</b>			
Profit before Tax	(460.93)	325.05	663.26
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation	5.21	3.85	9.01
(Gain)/ Loss on sale of property, plant & equipment	1.38	-	0.02
Impairment of financial instruments-Loans	1,040.92	150.36	361.08
(Gain)/ Loss on fair value changes	(0.07)	(0.02)	(0.06)
Impairment of financial instruments-other financial assets	1.60	1.77	3.78
Finance cost on lease liability	0.60	0.53	0.99
Net gain on sale of investment	(40.02)	(22.60)	(52.80)
Net gain on derecognition of financial instruments under amortised cost category	(80.98)	(54.70)	(130.30)
Employee share based compensation	8.20	4.94	13.11
Effective interest rate adjustment for financial instruments	0.05	(0.35)	(1.94)
Net foreign exchange differences	(0.49)	(1.31)	0.83
Fair value loss on derivative financial instruments	(0.50)	1.45	0.14
<b>Operating cash flow before working capital changes</b>	<b>474.97</b>	<b>408.97</b>	<b>867.12</b>
<i>Movement in working capital:</i>			
(Increase)/decrease in loans	(232.39)	(803.51)	(2,267.39)
(Increase)/decrease in trade receivables	0.70	1.96	0.56
(Increase)/decrease in other financial assets	56.59	64.76	123.15
(Increase)/decrease in other non- financial assets	(7.28)	(26.84)	(20.35)
(Increase)/decrease in bank balance other than cash and cash equivalents	21.00	53.97	36.17
Increase/(decrease) in trade payables	(9.83)	20.40	(3.90)
Increase/(decrease) in other financial liability	(14.83)	32.89	18.38
Increase/(decrease) in provisions	4.93	3.59	1.28
Increase/(decrease) in other non-financial liabilities	(10.99)	6.25	32.54
<b>Cash flow from operations</b>	<b>282.87</b>	<b>(237.56)</b>	<b>(1,212.44)</b>
Income tax paid	(32.89)	(81.30)	(137.90)
<b>Net cash used from operating activities (A)*</b>	<b>249.98</b>	<b>(318.86)</b>	<b>(1,350.34)</b>
<b>II. Cash flow from investing activities</b>			
Purchase of property, plant and equipments	(3.41)	(4.10)	(16.39)
Payment against capital work-in-progress	(0.47)	-	-
Proceeds from sale of property, plant and equipment	3.64	-	0.01
Purchase of intangible assets	0.00	(0.13)	(0.65)
Payment against intangible assets under development	(1.79)	(0.73)	(2.18)
Payment against right of use assets	-	-	(0.11)
Purchase of investments	(7,029.73)	(5,692.00)	(12,752.00)
Proceeds from sale of investments	7,069.81	5,712.60	12,802.80
<b>Net cash flow from investing activities (B)</b>	<b>38.05</b>	<b>15.64</b>	<b>31.48</b>
<b>III. Cash flow from financing activities</b>			
Proceeds from issue of employee stock options	0.97	3.04	6.60
Share premium (net of expenses)	4.72	-	-
Repayment of debt securities	(20.40)	(91.80)	(427.46)
Repayment of borrowings (other than debt securities)	(3,098.88)	(2,270.43)	(4,847.13)
Proceeds from borrowings (other than debt securities)	3,145.13	3,143.38	7,173.19
Repayment of subordinated debt	-	(30.00)	(59.99)
Payment of lease liability	(1.20)	(0.90)	(2.02)
<b>Net cash flow from financing activities (C)</b>	<b>30.34</b>	<b>753.29</b>	<b>1,843.19</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>318.37</b>	<b>450.07</b>	<b>524.33</b>
Cash and cash equivalents at the beginning of the period/year	1,474.69	950.36	950.36
<b>Cash and cash equivalents at the end of the period/year</b>	<b>1,793.06</b>	<b>1,400.43</b>	<b>1,474.69</b>

\* Cash flow from operating activities includes interest received of ₹ 1,216.11 crore (30 September 2023: ₹ 1,028.31 crore & 31 March 2024: ₹ 2,069.66 crore) and interest paid of ₹ 439.01 crore (30 September 2023: ₹ 361.59 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 half year ended September 30, 2024**

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 (formerly known as Fusion Micro Finance Limited) ("the Company") in their meeting commenced on November 14, 2024 and concluded on November 15, 2024. The Company has prepared these financial results in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015") and the accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and relevant provisions of the Companies Act, 2013, as applicable. The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statement for the year ended March 31, 2024. The limited review of financial results for the quarter and half year ended September 30, 2024, have been conducted by the Statutory Auditors of the Company.
4. The name of the Company was 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 under section 14 of the Companies Act, 2013.
5. 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.
6. The Company, during the quarter and half year ended September 30, 2024, has issued 2,625 and 33,700 number of equity shares respectively, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
7. During the quarter and half year ended September 30, 2024, the company recorded an allowance for Expected Credit Loss ("ECL"), in respect of loans given, of ₹ 693 crore and ₹ 1,041 crore respectively, with a corresponding charge to the Statement of Profit and Loss in these periods, consequent to a significant increase in credit risk evidenced by slowing and delayed collections. In preparing this statement, the Company has not evaluated whether any of these allowance should have been recognized in any of the prior period presented because of limitations in objectively determining information relating to assumptions and circumstances as it existed in those prior periods. As a result, the Company has concluded that it was impracticable to evaluate and determine any amounts for retrospective recognition and measurement in those prior periods.
8. The Statement for the quarter and half year ended September 30, 2024 has been prepared on a going concern basis. As at September 30, 2024, the Company has breached various financial covenants (in respect of borrowings amounting to ₹ 5,618 crores) resulting in these borrowings becoming repayable on demand. The Company is in the process of negotiations with the lenders to obtain waivers from the right of immediate repayment for a period of at least 12 months from the balance sheet date. The lenders have not waived their right to demand immediate repayment for a period of twelve months from the balance sheet date as on the date of issuance of the Statement. This condition results in material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern, and therefore the Company may not be able to realise the assets and discharge its liabilities in the normal course of business.

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 (ii) refinancing of borrowings.





9. Details of loans transferred/acquired during the quarter ended September 30, 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	1,33,481
Aggregate amount of loans (including retention)	483.69
Sale Consideration of loans (excluding retention)	435.32
Number of transactions	4
Weighted average in maturity (in months)	17.06
Weighted average holding period (in months)	7.64
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.

10. (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., March 31, 2024 (A)	of (A), aggregate debt that slipped into NPA during the half year ended September 30, 2024 (B)	of (A), amount written-off during the half year ended September 30, 2024 (C)	of (A), amount paid by the borrowers during the half year ended September 30, 2024 * (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year i.e., September 30, 2024 (A-C-D)
JLG loans	1.12	-	0.27	0.09	0.76
MSME loans	0.32	-	0.27	0.01	0.04

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

11. (i) The Company had created liability for IPO (Initial Public Offer) related expenses amounting to ₹ 56.37 crore during the year ended March 31, 2023. This comprises the Company's share of ₹ 30.64 crore and Selling Shareholder's share of ₹ 25.73 crore. As on September 30, 2024, of these liabilities, the Company had incurred ₹ 51.47 crore and the remaining amount of ₹ 4.90 crore has been allocated to the Company and selling shareholders proportionately. The details of liabilities incurred are given below:

(₹ in crore unless otherwise stated)

Particulars	Amount provided for as IPO expenses	Amount incurred upto September 30, 2024
BRLMs fees and commissions (including underwriting commission)	26.70	23.29
Advertising and marketing expenses for offer	7.40	6.82
Regulatory & other expenses	5.03	3.49
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	6.34
Miscellaneous expenses	2.31	1.49
<b>Total</b>	<b>56.37</b>	<b>51.47</b>

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

(iii) The amount transferred to Securities premium account is ₹ 4.58 crore (after adjustment of deferred tax liability) and tax credit benefits).



12. 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 September 30, 2024	
	Total unweighted value (average)	Total weighted value (average)
<b>High Quality Liquid Assets</b>		
1 Total High Quality Liquid Assets (HQLA)	-	781.02
<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	783.07	900.53
<b>Total Cash Outflows</b>	<b>783.07</b>	<b>900.53</b>
<b>Cash Inflows</b>		
7 Secured lending	-	-
8 Inflows from fully performing exposures	-	-
9 Other cash inflows	1,121.91	841.43
<b>Total Cash Inflows</b>	<b>1,121.91</b>	<b>841.43</b>
		<b>Total Adjusted Value</b>
<b>Total HQLA</b>		<b>781.02</b>
<b>Total net cash outflows</b>		<b>225.13</b>
<b>Liquidity Coverage ratio (%)</b>		<b>346.91%</b>
Following assets formed part of HQLA		
<b>Assets</b>		
Cash on hand		12.40
Balances with banks – Current Accounts		768.62
<b>Total</b>		<b>781.02</b>

13. 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.

14. 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 & CEO

Place: Gurugram  
Date: November 15, 2024

