



# Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

Date: 28.11.2022

Letter No. FMFL/SEC/2022-23/SE-69

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: Regulation 33 and Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Submission of Unaudited Financial Results for quarter & six months ended on 30th September 2022**

Dear Sir/Ma'am,

This is to inform that pursuant to Regulation 33, Regulation 52 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the unaudited Financial Results for the quarter and six months ended September 30, 2022, as reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held today, the 28th November, 2022. The Limited Review Report issued by M/s. Deloitte Haskins & Sells, the Statutory Auditors of the Company is also attached herewith.

The aforesaid Board Meeting started at 7:20 PM and concluded at 8:30 p.m.

Kindly take the same on your record.

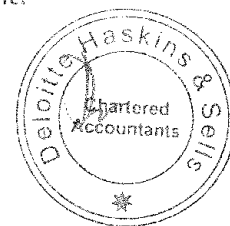
**For Fusion Micro Finance Limited  
(Formerly Fusion Micro Finance Private Limited)**

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

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
FUSION MICRO FINANCE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Fusion Micro Finance Limited (the "Company") for the quarter and half year ended September 30, 2022 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
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. 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. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, 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, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. This Statement includes comparative figures for the quarter and half year ended September 30, 2021, which have been audited by predecessor auditor via audit report dated October 27, 2021 which expressed an unmodified opinion on those financial results. Accordingly, we do not express any conclusion on the comparative figures reported in the standalone financial results for the quarter and half year ended September 30, 2021.

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 that reads "Jitendra Agarwal".

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
(UDIN: 22087104BEHVQI2400)

Place: Gurugram  
Date: November 28, 2022

## Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)

CIN: U65100DL1994PLC061287

Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028  
Statement of Unaudited Financial results for the quarter and half year ended September 30, 2022

(Rs in millions unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	Unaudited	Audited	Audited	Unaudited	Audited	Audited
<b>Revenue from operations</b>						
Interest income	3,997.58	3,293.61	2,302.28	7,291.19	4,802.02	10,643.19
Fees and commission income	46.71	10.73	2.19	57.41	3.19	13.86
Net gain on fair value changes	43.36	47.00	61.83	90.36	156.51	247.65
Net gain on derecognition of financial instruments under amortised cost category	309.19	75.86	227.59	385.05	227.59	667.95
<b>Total revenue from operations</b>	<b>4,396.84</b>	<b>3,427.20</b>	<b>2,593.89</b>	<b>7,824.04</b>	<b>5,189.31</b>	<b>11,512.65</b>
Other income	126.44	177.27	77.24	303.71	131.40	500.84
<b>Total income</b>	<b>4,523.28</b>	<b>3,604.47</b>	<b>2,671.13</b>	<b>8,127.75</b>	<b>5,320.71</b>	<b>12,013.49</b>
<b>Expenses</b>						
Finance costs	1,573.31	1,431.89	1,176.97	3,005.20	2,411.16	4,959.64
Impairment on financial instruments	611.81	200.64	697.33	812.45	1,389.09	3,686.93
Employee benefit expense	797.06	722.32	559.95	1,519.38	1,073.61	2,330.66
Depreciation and amortization expense	16.77	14.75	11.90	31.52	22.06	53.71
Others expenses	263.55	233.58	191.80	497.13	337.40	738.29
<b>Total expenses</b>	<b>3,262.50</b>	<b>2,603.18</b>	<b>2,637.95</b>	<b>5,865.68</b>	<b>5,233.32</b>	<b>11,769.23</b>
<b>Profit before tax</b>	<b>1,260.78</b>	<b>1,001.29</b>	<b>33.18</b>	<b>2,262.07</b>	<b>87.39</b>	<b>244.26</b>
<b>Tax expense/(credit):</b>						
Current tax	374.20	28.55	(157.77)	402.75	(14.85)	129.77
Deferred tax	(63.99)	321.72	158.84	157.73	26.00	(103.90)
<b>Income tax expense</b>	<b>310.21</b>	<b>250.27</b>	<b>1.07</b>	<b>560.48</b>	<b>11.17</b>	<b>26.71</b>
<b>Profit after tax for the period/year</b>	<b>950.57</b>	<b>751.02</b>	<b>32.11</b>	<b>1,701.59</b>	<b>76.22</b>	<b>217.55</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement gains on defined benefit plans	7.38	5.67	4.38	13.05	0.54	2.96
Income tax effect	(1.85)	(1.43)	(1.11)	(3.28)	(0.14)	(0.74)
<b>Total other comprehensive income</b>	<b>5.53</b>	<b>4.24</b>	<b>3.27</b>	<b>9.77</b>	<b>0.40</b>	<b>2.22</b>
<b>Total comprehensive income for the period/year</b>	<b>956.10</b>	<b>755.26</b>	<b>35.38</b>	<b>1,711.36</b>	<b>76.62</b>	<b>219.77</b>
<b>Earnings per share (equity share, par value of Rs. 10 each)</b>						
Computed on the basis of total profit for period/year						
<b>Basic earnings per share (BEPS) #</b>	<b>11.48</b>	<b>9.07</b>	<b>0.38</b>	<b>20.56</b>	<b>0.95</b>	<b>2.67</b>
<b>Diluted earnings per share (DEPS) #</b>	<b>11.36</b>	<b>8.98</b>	<b>0.38</b>	<b>20.33</b>	<b>0.94</b>	<b>2.64</b>

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

Place: Gurugram  
Date: November 28, 2022For and on behalf of the Board of Directors of  
Fusion Micro Finance LimitedDerech Sachdev  
Managing Director and CEO

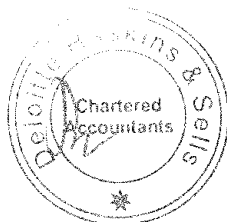
Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)  
CIN: U65100DL1994PLC061287  
Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028  
Statement of Unaudited Assets and Liabilities for the half year ended September 30, 2022

Particulars	(Rs in millions unless otherwise stated)		
	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
	Unaudited	Audited	Audited
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	9,166.95	6,901.75	10,113.72
Bank balance other than cash and cash equivalents	1,128.56	1,181.11	1,422.26
Trade receivables	60.93	33.59	42.53
Loans	70,356.93	47,254.44	59,181.94
Other financial assets	886.22	477.74	669.54
<b>Total financial assets</b>	<b>81,599.59</b>	<b>55,848.63</b>	<b>71,429.99</b>
<b>Non-financial assets</b>			
Current tax assets (net)	283.67	396.31	353.61
Deferred tax assets (net)	706.55	739.12	867.56
Property, plant and equipment	130.66	109.00	122.04
Right of use asset	75.31	73.68	69.17
Intangible assets	0.43	1.31	0.71
Other non-financial assets	99.95	47.49	61.74
<b>Total non-financial assets</b>	<b>1,296.57</b>	<b>1,366.91</b>	<b>1,474.83</b>
<b>Total assets</b>	<b>82,896.16</b>	<b>57,215.54</b>	<b>72,904.82</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial instrument	112.52	82.36	77.11
Trade payables	-	-	-
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	628.03	400.32	374.39
Debt securities	6,570.61	8,600.17	7,837.76
Borrowings (other than debt securities)	57,267.60	32,703.10	48,294.66
Subordinated liabilities	1,627.73	1,097.73	1,625.67
Other financial liabilities	1,378.47	940.78	1,136.52
<b>Total financial liabilities</b>	<b>67,584.96</b>	<b>43,824.46</b>	<b>59,346.11</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	1.08	3.28	1.04
Provisions	81.28	107.74	71.68
Other non-financial liabilities	92.25	77.00	106.48
<b>Total non-financial liabilities</b>	<b>174.61</b>	<b>188.02</b>	<b>179.20</b>
<b>Total liabilities</b>	<b>67,759.57</b>	<b>44,012.48</b>	<b>59,525.31</b>
<b>EQUITY</b>			
Equity share capital	828.13	826.14	827.60
Other equity	14,308.46	12,376.92	12,551.91
<b>Total equity</b>	<b>15,136.59</b>	<b>13,203.06</b>	<b>13,379.51</b>
<b>Total liabilities and equity</b>	<b>82,896.16</b>	<b>57,215.54</b>	<b>72,904.82</b>

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

Devesh Sachdev  
Managing Director and CEO

Place: Gurugram  
Date: November 28, 2022



Statement of Unaudited Cash flows for the half year ended September 30, 2022

(Rs in millions unless otherwise stated)

Particulars	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
	Unaudited	Audited	Audited
<b>Cash flow from operating activities</b>			
Profit before Tax	2,262.07	87.39	244.26
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation	31.52	22.06	53.71
Impairment of financial instruments	812.45	1,389.09	3,686.93
Finance cost on lease liability	4.66	4.49	8.88
Provision for gratuity	13.87	11.79	26.07
Provision for compensated absences	16.07	17.91	21.38
Other provisions	6.58	9.61	(27.51)
Net gain on sale of mutual fund investment	(90.36)	(156.51)	(247.65)
Net gain on derecognition of financial instruments under amortised cost category	(385.05)	(227.59)	(607.95)
Employee share based compensation	40.82	19.94	39.24
Amortisation of processing fees	(51.63)	(0.06)	(57.31)
Net foreign exchange differences	(45.51)	(29.03)	(43.81)
Fair value loss on derivative financial instruments	35.42	82.36	77.11
<b>Operating cash flow before working capital changes</b>	<b>2,650.91</b>	<b>1,231.45</b>	<b>3,173.35</b>
<i>Movement in working capital:</i>			
Increase in loans	(11,986.11)	(5,028.19)	(19,259.56)
(Increase)/decrease in trade receivables	(18.40)	(5.66)	(15.49)
Decrease/(Increase) in other financial assets	154.51	38.82	213.99
Increase in other non-financial assets	(38.21)	(24.40)	(38.65)
(Increase)/decrease in bank balance other than cash and cash equivalents	292.37	9.21	(225.91)
Increase in trade payables	253.64	149.47	63.60
Increase in other financial liability	234.71	(186.49)	71.15
Increase in other non-financial liabilities	(14.23)	(2.50)	26.98
<b>Cash flow from operations</b>	<b>(8,470.81)</b>	<b>(3,818.29)</b>	<b>(15,990.54)</b>
Income tax paid	(332.77)	(312.60)	(416.74)
<b>Net cash (used)/flow from operating activities (A)</b>	<b>(8,803.58)</b>	<b>(4,130.89)</b>	<b>(16,407.28)</b>
<b>II. Cash flow from investing activities</b>			
Purchase of property, plant and equipments	(34.72)	(23.17)	(62.77)
Purchase of intangible assets	-	(0.05)	(0.05)
Purchase of investments	(36,350.00)	(32,500.00)	(67,650.00)
Proceeds from sale of investments	36,440.36	32,656.51	67,897.65
<b>Net cash flow from investing activities (B)</b>	<b>55.64</b>	<b>133.29</b>	<b>184.83</b>
<b>III. Cash flow from financing activities</b>			
Proceeds from issue of equity shares	4.09	642.95	656.95
Repayment of debt securities	(3,069.00)	-	(2,531.01)
Proceeds from debt securities	1,800.00	(12,291.82)	450.00
Repayment of borrowings (other than debt securities)	(18,611.01)	11,782.42	(25,905.28)
Proceeds from borrowings (other than debt securities)	27,685.00	(70.00)	41,043.00
Proceeds from Subordinated debt	-	-	550.00
Repayment of subordinated debt	-	(5.39)	(70.00)
Payment of lease liability	(7.91)	-	(11.69)
<b>Net cash (used)/flow from financing activities (C)</b>	<b>7,801.17</b>	<b>(1,254.85)</b>	<b>14,181.97</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(946.77)</b>	<b>(5,252.45)</b>	<b>(2,040.48)</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>10,113.72</b>	<b>12,154.20</b>	<b>12,154.20</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>9,166.95</b>	<b>6,901.75</b>	<b>10,113.72</b>

Place: Gurugram  
Date: November 28, 2022



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

Devesh Sachdev  
Managing Director and CEO

**Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)**  
**(CIN: U65100DL1994PLC061287)**  
**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, 2022**

1. The financial results have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors of Fusion Micro Finance Limited ("the Company") in their respective meeting held on November 28, 2022. The Company has prepared these financial results in accordance with the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015") and the accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and relevant provisions of the Companies Act, 2013, as applicable. The results for the quarter and half year ended September 30, 2022 are reviewed by the Statutory Auditors of the Company.
2. 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 single geographic segment i.e., domestic.
3. The Company, during the quarter and half year ended September 30, 2022, has issued 29,033 and 53,128 number of equity shares respectively, each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
4. As per Regulation 54 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), as on September 30, 2022, all Secured Non - Convertible debt securities {Secured Non- Convertible Debenture ("the NCD")} of the Company are secured by exclusive first charge by way of hypothecation against the principal amount outstanding and accrued coupon on the NCD. Further, the Company has maintained security cover being minimum of 100% of principal outstanding and accrued coupon thereon or as stated in the Information Memorandum of these NCD's at all times.
5. 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 on the period the Code becomes effective.
6. Details of loans transferred/acquired during the quarter ended September 30, 2022, under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, are given below:

(i) Details of loans not in default transferred/acquired through assignment:

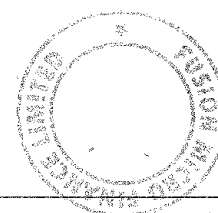
(Rs in millions unless otherwise stated)

Particulars	Transferred (MFI loans)	Acquired
Aggregate amount of loans transferred/acquired	4,330.92	-
Weighted average in maturity ( in months)	16.68	-
Weighted average holding period (in months)	8.01	-
Retention of beneficial economic interest by the originator	11.00%	-
Tangible security cover	112.42	-
Rated wise distribution of rated loans	Not applicable	-

- (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.

7. (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: -



(Rs in millions unless otherwise stated)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of previous year i.e., March 31, 2022 (A)	of (A), aggregate debt that slipped into NPA during the half year ended September 30,2022.	of (A), amount written-off during the half-year ended September 30,2022	of (A), amount paid by the borrowers during the half year ended September 30,2022*	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, 2022
JLG loans	1,105.14	139.56	2.77	726.68	375.69
MSME loans	4.78	-	-	0.22	4.56

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

- The Audited results for quarter and half year ended September 30, 2021 and for the year ended March 31, 2022 were audited by the preceding auditor S.R. Batliboi & Associates LLP, Chartered Accountants.
- Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2022, is attached as Annexure 1.
- Subsequent to half year ended September 30, 2022, the Company has completed initial public offer (IPO) of 29,999,813 shares of face value of Rs. 10 each at an issue price Rs 368 comprising fresh issue of 1,63,04,347 and offer for sale of 1,36,95,466 by selling shareholders. Pursuant to IPO, shares of Company were listed on National Stock exchange (NSE) and BSE Limited (BSE) on November 15, 2022.

The Company had received an amount of Rs. 5,693.65 million (net off IPO expenses Rs 306.35 million) from proceeds of fresh issue of equity shares post September 30, 2022. As on the date of approval of results, the Company is yet to use the funds as per object clause mentioned in the prospectus. The Company has invested the portion of net proceeds temporarily in deposits with scheduled commercial banks.

- Previous periods/year figures have been regrouped / rearranged wherever necessary to conform with current period's classification.
- 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.fusionmicrofinance.com](http://www.fusionmicrofinance.com)).

Place: Gurugram  
Date: November 28, 2022

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

Devesh Sachdev  
Managing Director & CEO





## Annexure #

Disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended for half year ended September 30, 2022

(Rs in millions unless otherwise stated)

Particulars	Half year ended	
	September 30, 2022	
(i) Debt-equity ratio (Times) *		4.33
(ii) Net worth **		15,136.59
(iii) Net profit after tax		1,701.59
(iv) Earnings per share (EPS) (Face Value of 10/- each):		
(a) Basic EPS before & after extraordinary items (net of tax expense)		20.56
(b) Diluted EPS before & after extraordinary items (net of tax expense)		20.33
(v) Total debts to total assets #		0.79
(vi) Net profit margin (%) ##		20.94%
(vii) Outstanding Redeemable Preference Shares		-
(viii) Capital Redemption Reserve		Not applicable
(ix) Debenture Redemption Reserve		Not applicable
(x) Sector specific equivalent ratio include following:		
(a) Gross Stage III (%) :@		3.83%
(b) Net Stage III (%) @@		1.12%
(c) Provision coverage :&		71.50%
(d) Capital risk adequacy ratio (CRAR) %-Total		20.97%

## Notes:

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

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

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

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

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

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

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

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

Place: Gurugram

Date: November 28, 2022

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

Devesh Sachdev  
Managing Director and CEO

