

Date: 02.08.2023

Letter No. FMFL/SEC/2023-24/SE-57

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, Financial Results & Press Release for the Quarter ended June 30, 2023

Dear Sir/Ma'am,

Pursuant to Regulation 30 (read with Part A of Schedule III), read with Regulation 33, 51, 52, 54 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 ("SEBI Circular"), we wish to inform that the Board of Directors of the Company in its meeting held today i.e. on Wednesday, the 02nd day of August 2023 has, inter-alia, approved the unaudited Financial Results of the company for the Quarter ended on June 30, 2023 along with the Limited Review Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company. The aforesaid Board Meeting commenced at 02:15 p.m. and concluded at 6:25 p.m.

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

Further, pursuant to the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of Fusion Micro Finance Limited ('the Company') at its meeting held on Wednesday, the 02nd day of August 2023 has approved the following:

S.No.	ITEM APPROVED	Disclosures as per Regulation 30 read with Schedule III of Listing Regulations and SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023
1	Re-appointment of Mr. Kenneth Dan Vander Weele, Nominee Director of the company, who retires by rotation & being eligible offers his candidature for re-appointment, subject to the approval of the shareholders in the ensuing Annual General Meeting.	Annexure A
2	Change in Designation of Mr. Deepak Madaan from 'Company Secretary and Compliance Officer' to 'Company Secretary and Chief Compliance Officer'.	Annexure B
3	Appointment of Secretarial Auditor of the company for the Financial Year 2023-24.	Annexure C
4	Issuance and Allotment of the shares in the Fusion Employees Benefit Trust under Fusion Employee Stock Option Plan 2016.	Annexure D

5	Amendments in Articles of Association (AOA) of the company, subject to the approval of the shareholders in the ensuing Annual General Meeting.	Amendment of Articles of Association in pursuance to Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Regulation 15 (1)(e) of SEBI (Debenture Trustees) Regulations, 1993 and in relation to minimum threshold of shareholding required for proposing the appointment of Directors.
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Request you to kindly take the same on your records.

Thanking you

For **Fusion Micro Finance Limited**

(Formerly Fusion Micro Finance Private Limited)

Deepak Madaan

Company Secretary & Compliance Officer

Membership No. A24811

Place: Gurugram



Fusion Micro Finance Limited – Financial Results for Q1 FY24

Profit After Tax (PAT) grew 60.40% YoY to INR 120.46 crore

Asset Under Management (AUM) grew 31.43% YoY to INR 9,711.75 crore

Pre-provision Operating Profit (PPOP) grew 95.85% YoY to INR 235.39 crore

Delhi, 2nd August 2023: Fusion Micro Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)], today announced its unaudited and limited reviewed financial performance for the first quarter of the financial year 2023-24. The company continues to demonstrate robust growth and strong operating metrics posting its highest profit since inception.

Business Highlights: Q1 FY24

- Asset Under Management (AUM) grew 31.43% YoY to INR 9,711.75 crore from INR 7,389.02 crore
- Disbursements grew 15.21% YoY to INR 2,284.61 crore
- Net NPA reduced to 0.78%
- Borrower base increased to ~36 lakh
- 17 branches added in Q1, increasing the total branch network to 1103 across 20 States, including 3 Union Territories

Financial Highlights: Q1 FY24

- Total income increased by 53.36% YoY to INR 552.78 crore from INR 360.45 crore
- Net interest income (NII) increased by 59.24% YoY to INR 294.07 crore from INR 184.67 crore
- Pre-provision Operating Profit (PPOP) increased by 95.85% YoY to INR 235.39 crore from INR 120.19 crore
- Total Expected Credit Loss (ECL) is INR 328.38 crore (3.76%) (includes management overlay of INR 57.68 crore), GNPA reduced to 3.20% from 3.46% and NNPA reduced to 0.78% from 0.87% (QoQ)
- Write-offs were INR 59.36 crore
- Profit After Tax (PAT) increased by 60.40% YoY to INR 120.46 crore from INR 75.10 crore
- Healthy capital position with CRAR of 28.26%
- Robust liquidity of INR 1,177.08 crore of cash and cash equivalents, amounting to 11.84% of the total assets
- Credit Rating A positive by ICRA and A Stable by CRISIL and CARE

Financial Snapshot: Q1 FY24

Particulars	(₹ in crore)				
	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
Interest Income	479.00	329.36	45.43%	450.74	6.27%
Total Income	552.78	360.45	53.36%	520.69	6.16%
Finance Cost	183.48	143.19	28.14%	174.24	5.30%
Profit Before Tax	159.46	100.13	59.25%	151.93	4.96%
Profit After Tax	120.46	75.10	60.40%	114.52	5.19%
EPS (Basic) (₹)	12.00	9.07		12.81	
EPS (Diluted) (₹)	11.93	8.98		12.76	

Key Metrics: Q1 FY24

(₹ in crore)

Particulars	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
AUM	9,711.75	7,389.02	31.43%	9,296.22	4.47%
Borrowers	0.36	0.29	25.69%	0.35	3.22%
Number of Branches	1,103	966	14.18%	1,086	1.57%
Particulars	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
Net Interest Income (NII)	294.07	184.67	59.24%	273.75	7.42%
Pre-Provision Operating Profit (PPOP)	235.39	120.19	95.85%	221.12	6.45%
Key Ratios	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
Net Interest Margin (NIM)	10.89%	9.38%	16.10%	10.57%	3.03%
Cost/Income Ratio	36.26%	44.68%	(18.85%)	36.18%	0.22%
Opex/Average AUM	5.64%	5.48%	2.92%	5.59%	0.89%
Gross NPA	3.20%	3.67%	(12.81%)	3.46%	(7.51%)
Expected Credit Loss (ECL)	328.38	244.27	34.43%	312.66	5.03%
Return on Assets (ROA) (Annualised)	4.99%	4.03%	23.82%	4.99%	0.00%
Return on Equity (ROE) (Annualised)	20.21%	21.81%	(7.34%)	20.24%	(0.15%)

Commenting on the performance, **Devesh Sachdev, Managing Director and CEO, Fusion Micro Finance Ltd.** said, “We are off to a good start and confident of maintaining the momentum going forward. In this quarter, our Profit After Tax (PAT) increased by 60.40% YoY to INR 120.46 crore from INR 75.10 crore. Our Asset Under Management (AUM) grew by 31.43% YoY to INR 9,711.75 crore from INR 7,389.02 crore and our borrower base grew to ~36 lakh. Our NIM has expanded to 10.89% and there would be further expansion before it stabilizes. We continue to strengthen our processes, digital capabilities, and human capital. Keeping our customers at the centre, we are confident of delivering sustainable growth”.

About Fusion Micro Finance Limited:

Fusion Micro Finance [BSE (BOM: 543652) and NSE (NSE: FUSION)] founded in 2010, is amongst India’s leading NBFC-MFIs, touching the lives of ~36 lakh rural clients in the country. Fusion Micro Finance was established with the core idea to create opportunities at the bottom of the pyramid by providing financial services to the underserved and unserved women entrepreneurs in rural areas. It is one of the youngest companies to be among the top NBFC MFIs in the country, growing consistently with an extensive network of 1,103 branches spread across 20 states including 3 Union Territories, as of June 2023. Fusion believes in robust business practices and transparent policies as expressed in its customer-centric efforts toward clients and is committed to creating sustained and balanced stakeholder value.

For more information, please visit www.fusionmicrofinance.com OR contact:

Deepak Madaan – investor.relations@fusionmicrofinance.com / 9910075507
 Company Secretary & Compliance Officer
 Fusion Micro Finance Limited

Sherry Advant – sherry.advant@archetype.co / 9810355432
 Public Relations
 Archetype India

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 ended June 30, 2023 ("the Statement"), being submitted by the Company pursuant to 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 01525N)



Jitendra Agarwal

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 23087104BGYKYM1310)

Place: Gurugram
Date: August 2, 2023

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
CIN: L65100DL1994PLC061287
Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028
Statement of Unaudited Financial results for the quarter ended June 30, 2023

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	Unaudited	Unaudited*	Unaudited	Audited
Interest income	479.00	450.74	329.36	1,600.10
Fees and commission income	16.10	7.69	1.07	19.58
Net gain on fair value changes	10.79	9.90	4.70	25.38
Net gain on derecognition of financial instruments under amortised cost category	25.18	32.56	7.59	96.86
Total revenue from operations	531.07	500.89	342.72	1,741.92
Other income	21.71	19.80	17.73	58.05
Total income	552.78	520.69	360.45	1,799.97
Expenses				
Finance costs	183.48	174.24	143.19	642.78
Impairment on financial instruments	75.93	69.19	20.06	200.37
Employee benefit expense	97.84	89.40	72.23	325.52
Depreciation and amortization expense	1.76	2.30	1.48	7.41
Other expenses	34.31	33.63	23.36	111.91
Total expenses	393.32	368.76	260.32	1,287.99
Profit before tax for the period/year	159.46	151.93	100.13	511.98
Tax expense/(credit):				
Current tax	47.86	41.26	2.86	110.60
Deferred tax	(8.86)	(3.85)	22.17	14.23
Income tax expense	39.00	37.41	25.03	124.83
Profit after tax for the period/year	120.46	114.52	75.10	387.15
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gains on defined benefit plans	0.32	(0.83)	0.57	0.42
Income tax effect	(0.08)	0.21	(0.14)	(0.11)
Total other comprehensive income	0.24	(0.62)	0.43	0.31
Total comprehensive income for the period/year	120.70	113.90	75.53	387.46
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.38	100.35	82.78	100.35
Other Equity				2,221.57
Earnings per share (equity share, par value of ₹ 10 each)				
Computed on the basis of total profit for the period/year				
Basic earnings per share (BEPS) # (₹)	12.00	12.81	9.07	43.29
Diluted earnings per share (DEPS) # (₹)	11.93	12.76	8.98	43.13

* Refer Note 10

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

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


Devesh Sachdev
Managing Director and CEO

Place: Gurugram
Date: August 02, 2023



Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
(CIN: L65100DL1994PLC061287)
Registered office address: H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028
Financial results for the quarter ended June 30, 2023

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 meeting held on August 02, 2023. The Company has prepared these financial results in accordance with the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 ("Listing Regulations, 2015") and the accounting standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and relevant provisions of the Companies Act, 2013, as applicable. The Company has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statement for the year ended March 31, 2023. The limited review of financial results for the quarter ended June 30, 2023 have been conducted 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. (i) The Company, during the quarter ended June 30, 2023, has granted 5,66,000 stock option to the employees, in accordance with the Company's Employee Stock Option Scheme(s).

(ii) The Company, during the quarter ended June 30, 2023, has issued 30,148 number of equity shares, each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
4. (i) The Company had created liability for IPO (Initial Public Offer) related expenses amounting to ₹ 56.37 crore during the previous year ended March 31, 2023. This comprises the Company's share of ₹ 30.64 crore and Selling Shareholder's share of ₹ 25.73 crore. As on June 30, 2023, of these liabilities, the Company had paid ₹ 29.37 crore and remaining liability of ₹ 27.00 crore is being carried forward. The details of liabilities incurred are given below:

(₹ in crore unless otherwise stated)

Particulars	Amount provided for as IPO expenses	Amount paid upto June 30, 2023
BRLMs fees and commissions (including underwriting commission)	26.70	1.28
Advertising and marketing expenses for offer	7.40	6.62
Regulatory & other expenses	5.03	4.47
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	5.88
Miscellaneous expenses	2.31	1.08
Total	56.37	29.37

- (ii) The net proceeds from IPO had been utilized during the previous year ended March 31, 2023.
5. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2023 is attached as Annexure I.
6. As per Regulation 54 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), as on June 30, 2023, 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. Further disclosure under regulation 54(3) are given under Annexure II.
7. 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.



8. Details of loans transferred/acquired during the quarter ended June 30, 2023, 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	1,69,429
Aggregate amount of loans (including retention)	381.24
Sale Consideration of loans (excluding retention)	343.11
Number of transactions	3
Weighted average in maturity (in months)	14.60
Weighted average holding period (in months)	10.25
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.

9. Previous periods/year figures have been regrouped / rearranged wherever necessary to conform with current period's classification. Further, the Company has declared the results in ₹ crores from the current quarter. Therefore, all the previous year/period figures have been rounded off ₹ in crores.


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

11. The above financial results are available on the stock exchange website's i.e., National Stock Exchange (www.nseindia.com) and BSE Limited (www.bseindia.com) and can be accessed on the website of the Company (www.fusionmicrofinance.com).

Place: Gurugram
Date: August 02, 2023



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


Devesh Sachdev
Managing Director & CEO



Annexure I

Disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), for the period ended as on June 30, 2023

(₹ in crore unless otherwise stated)

Particulars	Period ended
	June 30, 2023
(i) Debt-equity ratio (Times) *	2.94
(ii) Net worth **	2,445.44
(iii) Net profit after tax	120.46
(iv) Earnings per share (EPS) (Face Value of ₹ 10/- each):	
(a) Basic EPS (₹) before & after extraordinary items (net of tax expense)	12.00
(b) Diluted EPS (₹) before & after extraordinary items (net of tax expense)	11.93
(v) Total debts to total assets #	0.72
(vi) Net profit margin (%) ##	21.79%
(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 (%) @	3.20%
(b) Net Stage III (%) @@	0.78%
(c) Provision coverage &	76.22%
(d) Capital risk adequacy ratio (CRAR) %-Total	28.26%

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.



Independent Auditor's Certificate on Book Value of Assets of the Company contained in Columns A to J of Statement of Security Cover as at June 30, 2023 for Catalyst Trusteeship Limited and its Compliance with the financial covenants as included in the Statement of Compliance Status with Financial Covenants as at June 30, 2023

To
The Board of Directors
Fusion Micro Finance Limited
Plot No. 86, Institutional Area,
Sector 32, Gurugram,
Haryana-122001

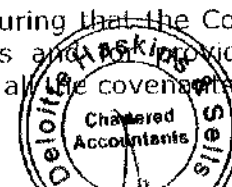
1. This certificate is issued in accordance with the terms of our engagement letter dated July 20, 2023
2. We, Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of Fusion Micro Finance Limited ("the Company"), have been requested by the Management of the Company to certify:
 - a. Book value of assets of the Company contained in Columns A to J of the Statement of Security Cover as at June 30, 2023 (Annexure I), and;
 - b. Compliance with the financial Covenants as included in the "Statement of Compliance Status with Financial Covenants as at June 30, 2023" (Annexure II)

in respect of listed debt securities of the Company (hereinafter referred to as the Statements).

3. The Statements are prepared by the Company from the unaudited financial results and other relevant records and documents maintained by the Company as at and for the period ended June 30, 2023 pursuant to requirements of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by Securities and Exchange Board of India in terms of regulation 54 read with regulation 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t) of SEBI (Debenture Trustees) Regulations, 1993 (hereinafter referred together as "the SEBI Regulations"), as amended. The Statements have been prepared for the purpose of submission to Catalyst Trusteeship Limited, Debenture Trustee of the above mentioned listed debt securities (hereinafter referred to as "the Debenture Trustee"). The responsibility for compiling the information contained in the Statements is of the Management of the Company. The statements are initialed by us for identification purposes only.

Management's Responsibility

4. The preparation of the Statements is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the Debenture Trust Deed.

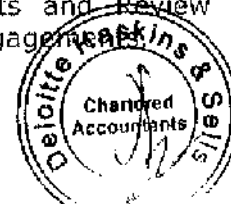


Auditor's Responsibility

6. Pursuant to the requirements of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by SEBI, our responsibility for the purpose of this certificate is to provide a limited assurance on whether the particulars relating to the "Book Value of Assets of the Company contained in Columns A to J of Annexure I and Financial Covenants disclosed under Annexure II" furnished by the Company in respect of listed debt securities have been accurately extracted by the management from the unaudited financial results and other relevant records and documents maintained by the Company as at and for the period ended June 30, 2023. This did not include the evaluation of adherence by the Company with terms of the Debenture Trust Deed and all the applicable SEBI Regulations.
7. The engagement involves performing procedures to obtain sufficient appropriate evidence to provide limited assurance on the Statements as mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Accordingly, we have performed the following procedures in relation to the statement:

- a. Obtained the Statements from the management.
 - b. Tested that the information contained in the Statements has been accurately extracted from the unaudited financial results of the Company as at and for the period ended on June 30, 2023 and other relevant records and documents maintained by the Company.
 - c. Verified the arithmetical accuracy of the information included in the Statement.
 - d. Verified that the nature of the charge on the assets of the Company was in accordance with the Debenture Trust Deed.
 - e. Verified the charge made on the assets of the Company from the Register of Charges maintained by the Company as per the requirements of the Companies Act, 2013.
 - f. Made necessary inquiries with the management and obtained relevant representations in respect of matters relating to the Statement.
8. We have reviewed the financial results of the Company for the period ended June 30, 2023, prepared pursuant to the requirements of Regulation 33 and 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, on which we have issued our unmodified review report dated August 02, 2023. Our review of these financial results was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.
 9. We conducted our examination and obtained the explanations in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
 10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.



Conclusion

11. Based on our examination, as mentioned in paragraph 8 above, the procedures performed by us as mentioned in paragraph 6 above and according to the information and explanations and representations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that:
- a. the particulars relating to the Book Value of Assets of the Company contained in Columns A to J of Annexure I of the Statement, and
 - b. the Financial covenants disclosed under Annexure II of the Statement furnished by the Company in respect of Listed Debt securities
- have not been accurately extracted by the management from the unaudited financial results and other relevant records and documents maintained by the Company for the period ended June 30, 2023.

Restriction on Use

12. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to Catalyst Trusteeship Limited (the Debenture Trustee) and should not be used by any other person or for any other purposes without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



Jitendra Agarwal

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 23087104BGYKYN5461)

Place: Gurugram
Date: August 02, 2023

ANNEXURE-I
STATEMENT OF SECURITY COVER AS ON June 30, 2023 (FOR CATALYST TRUSTEESHIP LIMITED)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Part Passu Charge	Part Passu Charge	Part Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Part passu charge Assets	Carrying value/book value for part passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (K+L+M+N)
		Book Value	Book Value	Yield No.	Book Value	Book Value	Book Value						Relating to Column F	
ASSETS														
Property, Plant and Equipment							13.43		13.43					
Capital Works in Progress														
Right of Use Assets							8.86							
Goodwill														
Intangible Assets							0.08		0.08					
Investments														
Loans		201.15	6,440.00				2,090.21		8,731.36		201.15			301.15
Less: Impairment as per Ind AS ***		(3.51)	(112.23)				(212.64)		(328.38)					
Inventory														
Trade Receivable							36.15		36.15					
Cash and Cash Equivalents							1,177.08		1,177.08					
Bank Balances other than Cash and Cash Equivalents			70.94						70.94					
Others							239.37		239.37					
Total							3,342.54		9,937.99					
LIABILITIES														
Debt securities to which this certificate pertains **		189.94	260.69						450.63		189.94			189.94
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payable							113.10		113.10					
Lease Liabilities							31.63		6,511.01					
Provisions														
Others														
Total							562.54		7,492.55		189.94			189.94
Cover on Book Value **														1.06
Cover on Market Value														N/A



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Notes:
 * Asset cover is being calculated only on Debts for which the Certificate is being issued.
 ** Borrowing values listed are as reported in financial results under Ind AS

Trustee Name: Catalyst Trusteeship Limited

Statement of Compliance status with Financial Covenants as on June 30, 2023

Annexure II

S.No.	ISIN	Facility	Amount Outstanding (Rs. In Crs)	Date of Trust deed	Financial Covenants as per Debenture Trust Deed (DTD)	Compliance as on June 30, 2023 (Y/N)
1	INE139R07290	Indian Bank	19.99	24-Aug-20	Clause 9.4 of DTD (Refer S.No 1 to 8 of Annexure II-A)	Yes
2	INE139R07381	UTI MICROFINANCE ENHANCEMENT FACILITY SA, SICAV-SIF	69.98	08-Mar-21	Clause 2.5.3 of DTD (Refer S.No 4, 9 to 12 of Annexure II-A)	Yes
3	INE139R07373	JAPAN ASEAN WOMEN EMPOWERMENT FUND	49.99	22-Dec-20	Refer Clause 2.6(Part B) of the DTD (Refer S.No 4, 9, 14 & 15 of Annexure II-	Yes
4	INE139R07407	Blueorchard Microfinance Fund	49.98	17-Mar-21	Refer Clause 2.6(Part B) of the DTD (Refer S.No 4, 13 to 15 of Annexure II-A)	Yes

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Trustee name: Catalyst Trusteeship Limited

Summary of Financial Covenants

Annexure II-A

S.No.	Particulars	As at June 30, 2023	As required by DTD	Notes Reference
1	Debt Equity Ratio	2.94	Below 6 times	A
2	Gross NPA	3.20%	Not more than 4.50%	B
3	Net NPA	0.78%	Not more than 2.50%	B
4	CRAR	28.26%	Greater than 15% as prescribed by RBI	C
5	Operating Cost Ratio	5.64%	Not greater than 15%	D
6	Cumulative Asset-Liability Mismatch	1,360.31	Cumulative Asset-Liability Mismatch of the Company shall be within the limits prescribed by the RBI or Company's asset-liability mismatch.	E
7	Maintainence of minimum net owned fund	2,334.30	Minimum of Rs. 50 million for NBFC MFI as per RBI Master Circular	F
8	Total outside Liability to Total Tangible net worth	3.20	Less than 10 times	G
9	Portfolio at Risk (PAR)>30 Days Ratio	3.97%	Below 5%	H
10	Adjusted Return on Assets (ROA)	10.68%	Greater than 0.5%	I
11	Open loan position 30 days	0.72%	Less than 20%	J
12	Maturity Mismatch of three months	55.15%	Below 100%	K
13	Portfolio at Risk (PAR)>30 Days Ratio	4.64%	Below 12%	L
14	Return on Assets (ROA)	4.99%	Greater than 0%	M
15	Loan Loss reserves of not less than 100%	117.70%	Not less than 100%	N

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Notes: Calculation of Financial Covenants


[A] Debt Equity ratio as on June 30, 2023	(Rs. in Crs)
Particulars	D/E Ratio
Debt Securities	563.89
Borrowings	6,511.01
Subordinated Liabilities	113.10
Total Debt (A)	7,188.00
Equity Share Capital	100.38
Other Equity	2,345.06
Total Equity (B)	2,445.44
Debt Equity Ratio (A/B)	2.94

[B] Gross Stage III% and Net Stage III % as On June 30, 2023	(Rs. in Crs)
Particulars	G/N III %
Gross Stage III Loans (A)	279.00
Total Loans Portfolio (B)	8,731.36
Gross Stage III % (A/B)	3.20%
ECL Stage III	212.64
Net Stage III %	0.78%

[C] Capital Risk Adequacy Ratio	(Rs. in Crs)
Particulars	CRAR
Share Capital	100.38
Free Reserve	2,338.10
Total	2,438.48
Less:	
Intangible assets & Leasehold	12.86
Deferred Revenue Expenditure	4.78
Deferred tax assets	86.54
	104.18
Tier I Capital	2,334.30
Tier I Ratio	26.77%
Provision on Standard Assets	87.82
Subordinated Debt	42.37
Tier II Capital	130.19
Total RWA	8,719.47
Tier II Ratio	1.49%
CRAR	28.26%

[D] Operating Cost Ratio	(Rs. in Crs)
Particulars	OPEX
Total Expense	393.32
Less: Finance	183.48
Less: Impairment	75.93
Operating expense	133.91
Average AUM	9,503.98
CI AUM March 23	9,296.22
CI AUM June 23	9,711.74
Ratio	5.64%

[E] Cumulative Asset - Liability Mismatch	1,260.31
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[F] Maintenance of minimum net owned fund of Rs. 5 cr	2,334.30
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[G] Total outside Liability to Total Tangible net worth	(Rs. in Crs)
Particulars	Liability to Net worth
Total Liability	7,492.55
Less: Liability to Indian Bank for NCD	-
Net Total Liability	7,492.55
Net Worth	2,438.48
Less: Intangible Assets	12.86
Less: DTA	86.54
Tangible Net Worth	2,339.08
Ratio	3.20

[H] Portfolio at Risk (PAR)>30 Days Ratio	(Rs. in Crs)
Particulars	PAR>30 Ratio
Portfolio at risk (PAR) > 30 days (A)	346.21
Gross Loan Portfolio (GLP) (B)	8,731.36
Ratio (A/B)	3.97%

[I] Adjusted Return on Assets (ROA)	(Rs. in Crs)
Particulars	Adjusted ROA %
Net Profit	120.46
Add: Interest Expense (1-tax rate)	137.30
Adjusted Net profit (A)	257.76
Average Total Assets (B)	9,650.77
Total Assets as on June23	9,937.99
Total Assets as on March 23	9,363.54
Ratio (A/B)	10.68%

[J] Open loan position 30 days	(Rs. in Crs)
Particulars	Adjusted ROA %
GLP of Stage II & Stage III Loans	346.21
Add: Restructured loans greater than 30 days	-
Less Loan loss reserves	328.38
Open loan position	17.83
Total of Tier I and Tier II capital (CRAR)	2,464.49
Ratio	0.72%

[K] Maturity Mismatch of three months	(Rs. in Crs)
Particulars	ALM 3M/Total Equity
Cumulative Mismatch for 3 Months (A)	1,360.31
Total Equity	2,445.44
Add: 50% of Qualifying Subordinate Debt (C)	21.18
Total Equity (including C above) (B)	2,466.62
Ratio (A/B)	55.15%

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[L] Portfolio at Risk (PAR)>30 Days + Written off Ratio	(Rs. in Crs)
Particulars	PAR>30 Ratio
Stage II + Stage III Book Debts	346.21
Written off during the 12	59.36
Non- COVID Restructured Loan	-
Portfolio at risk (PAR) > 30 days (A)	405.57
Gross Loan Portfolio (GLP) (B)	8,731.36
Ratio (A/B)	4.64%

[M] Return on Assets (ROA)	(Rs. in Crs)
Particulars	PAR>30 Ratio
Profit after tax (PAT) (A)	120.46
Total Assets- June 30 2023	9,937.99
Total Assets-March 2023	9,363.54
Average Assets (B)	9,650.77
ROA (A/B)	4.99%

[N] Loan Loss reserves of not less than 100%	(Rs. in Crs)
Particulars	Amount
ECL Provision (A)	328.38
Stage III loans	279.00
Portfolio at Risk (PAR) >90 Days (B)	279.00
Ratio	117.70%

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ELISION MICRO FINANCE LIMITED

[Signature]

RE-APPOINTMENT OF MR. KENNETH DAN VANDER WEELE, NOMINEE DIRECTOR OF THE COMPANY, WHO RETIRES BY ROTATION & BEING ELIGIBLE OFFERS HIS CANDIDATURE FOR RE-APPOINTMENT, SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS.

Name of the Director	Mr. Kenneth Dan Vander Weele
Reason for change	Re-appointment as the Nominee Director of the company due to retirement by rotation.
Date and Term of re-appointment	Date of re-appointment: Date of Annual General Meeting subject to the approval of shareholders. Term of Re-appointment: No fixed term. He is a director liable to retire by rotation as per the applicable provisions of Companies Act 2013, subject to the approval of shareholders.
Brief Profile	Mr. Kenneth Dan Vander Weele is the Nominee Director of our Company. He holds a bachelor's degree in business administration from the University of Wisconsin and a PHD from the Oxford Centre for Mission Studies, Open University. He has also passed the National Uniform Certified Public Accountant Examination. He has over 15 years of experience and has served on the board of several companies including Creditaccess Grameen Limited, Muthoot Microfinance Limited, Sonata Finance Private Limited, Vivriti Capital Private Limited.
Disclosure of relationships between the Directors	Mr. Kenneth Dan Vander Weele is not related to any of the Directors on the Board.
Additional Information as required under BSE Circular LIST/COMP/14/2018- 19 and NSE Circular NSE/CML/ 2018/24, both dated June 20, 2018	Mr. Kenneth Dan Vander Weele is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.

**CHANGE IN DESIGNATION OF MR. DEEPAK MADAAN FROM 'COMPANY SECRETARY AND COMPLIANCE OFFICER'
TO 'COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER'**

Name	Mr. Deepak Madaan
Reason for change	In terms of Regulatory requirement of RBI vide its Circular Ref.No. DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022, Mr. Deepak Madaan, who is presently working with the company as 'Company Secretary & Compliance Officer' has been designated as the Chief Compliance Officer of the Company w.e.f August 02, 2023. Accordingly, his designation is changed from 'Company Secretary & Compliance Officer' to 'Company Secretary & Chief Compliance Officer' of the Company.
Date and Term of appointment	Date of appointment as Chief Compliance Officer: August 02, 2023. Term of appointment as Chief Compliance Officer: Minimum 3 years as per the RBI Circular Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022.
Brief Profile	Mr. Deepak Madaan is the Company Secretary and Compliance Officer of Fusion Micro Finance Limited and he joined Fusion Micro Finance Limited on June 1, 2013. He is a Qualified Company Secretary from the Institute of Company Secretaries of India and holds a Bachelors' Degree in law from Ch. Charan Singh University, Meerut. He has several years of experience.
Disclosure of relationships between the Directors	Not Applicable

APPOINTMENT OF SECRETARIAL AUDITOR OF THE COMPANY FOR THE FY 2023-24

Name of the Secretarial Auditor	M/s Harish Popli & Associates
Reason for change	Appointment
Date & Term of appointment	Date of appointment: August 02, 2023 Term of appointment: For financial year 2023-24
Brief Profile	M/s Harish Popli & Associates, Company Secretaries (Membership No. 11918 and COP No. 22475) is engaged in rendering services in the areas of Corporate Laws, Security Laws, Registration of Companies, Partnership Firms, Societies, Trusts, NGOs, Legal Consultancy, Intellectual Property Rights, Statutory Compliance Audit etc. The firm has also set the standards of services rendered by them which include identifying the needs of the client and developing a plan to meet those needs in proactive manner. They firmly believe in rendering professional services of the highest order.
Disclosure of relationships between the Directors	N.A.

ISSUANCE AND ALLOTMENT OF THE SHARES TO FUSION EMPLOYEES BENEFIT TRUST UNDER FUSION EMPLOYEE STOCK OPTION PLAN 2016

Disclosure under Regulation 10(c) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

1.	Company name and address of Registered Office	Fusion Micro Finance Limited Regd. Office: H-1, C Block, Community Centre, Naraina Vihar, New Delhi-110028		
2.	Name of the recognised Stock Exchanges on which the company's shares are listed	1. BSE Limited (BSE) 2. National Stock Exchange of India Limited (NSE)		
3.	Filing date of the statement referred in regulation 10(b) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with the recognised Stock Exchange	BSE– May 01, 2023 NSE - May 03, 2023		
4.	Filing Number, if any	BSE In- principal approval letter No. DCS/IPO/TL/ESOP-IP/2778/2023-24 dated May 31, 2023. vide case no. 174374. NSE In- principal approval letter No. NSE/LIST/35447 dated May 31, 2023, vide application number 35447.		
5.	Title of the Scheme pursuant to which shares are issued, if any	Fusion Employee Stock Option Plan 2016 (“ESOP 2016”)		
6.	Kind of security to be listed	Equity Shares		
7.	Par value of the shares	Rs.10/- each		
8.	Date of issue of shares	August 02, 2023		
9.	Number of shares issued	3,93,150		
10.	Share Certificate No., if applicable	N.A.		
11.	Distinctive number of the share, if applicable	N.A.		
12.	ISIN Number of the shares if issued in Demat	INE139R01012		
13.	Exercise price per share	No. of shares allotted to the trust	Exercise Price per Share	Year of Grant
		41,538	154.04	2019
		1,14,175	290.48	2020, 2021
		1,02,500	327.52	2022
		1,34,937	339.48	2022
14.	Premium per share	No. of shares allotted to the trust	Premium per Share	
		41,538	144.04	
		1,14,175	280.48	
		1,02,500	317.52	
		1,34,937	329.48	
15.	Total issued shares after this issue	10,10,23,885		
16.	Total issued share capital after this issue	Rs. 1,01,02,38,850/-		
17.	Details of any lock-in on the shares	N.A.		
18.	Date of expiry of lock-in	N.A.		
19.	Whether shares are identical in all respects to existing shares? If not, when will they become identical?	Yes, all the shares shall rank pari -passu with the existing shares of the Company.		
20.	Details of listing fees, if payable.	In-Principal approval has already been received. Listing Fees shall be paid at the time of listing of equity shares.		