



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

CIN : L65100DL1994PLC061287

Date: 05.02.2024

Letter No. FMFL/SEC/2023-24/SE-117

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 and Nine Months ended December 31, 2023

Dear Sir/Ma'am,

Pursuant to Regulation 30, Regulation 33, Regulation 52 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company in its meeting held on Monday, the 05th day of February 2024 has, inter-alia, approved the Unaudited Financial Results of the company for the Quarter and Nine Months ended on December 31, 2023 along with the Limited Review Report thereon issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company. The aforesaid Board Meeting commenced at 02:30 PM (IST) and concluded at 07:00 PM (IST).

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, the Trading Window of the Company, which was closed w.e.f. January 01, 2024, shall open on February 08, 2024 i.e. after the end of 48 hours from the declaration of financial results for the Quarter and Nine months ended December 31, 2023.

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

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



Fusion Micro Finance Limited – Financial Results for Q3 FY24

Asset under Management (AUM): ₹ 10,693.42 Crores ↑ 23.57%

Profit After Tax (PAT): ₹ 126.45 Crores ↑ 23.40%

Net Interest Margin (NIM): 11.54% ↑ 123 bps

Pre-provision Operating Profit (PPOP): ₹ 260.26 Crores ↑ 41.62%

Delhi, 5th February, 2024: Fusion Micro Finance Limited [BSE (BOM: 543652) and NSE (NSE: FUSION)], one of the leading NBFC-MFIs in India, today announced its unaudited and limited reviewed financial performance for the third quarter of the financial year 2023-2024.

Business Highlights: Q3 FY24

- Asset under Management (AUM) grew 23.57% YoY from INR 8,653.56 Crores to INR 10,693.42 Crores
- Disbursements grew 23.98% YoY to INR 2,712.92 Crores
- Net NPA 0.77%
- Borrower base increased to ~37.80 lakhs
- 78 branches added in Q3 FY24, increasing the total branch network to 1,242 branches across 22 States, including 3 Union Territories

Financial Highlights: Q3 FY24

- Total income increased 31.45% YoY from INR 466.52 Crores to INR 613.24 Crores
- Net interest income (NII) increased 36.13% YoY from INR 247.72 Crores to INR 337.21 Crores
- Pre-provision operating profit (PPOP) increased 41.62% YoY from INR 183.77 Crores to INR 260.26 Crores
- Total Expected Credit Loss (ECL) is INR 311.85 Crores (3.23%) (includes management overlay of INR 41.50 Crores), GNPA of INR 293.86 Crores (3.04%) and NNPA increased to 0.77% from 0.65% (QoQ)
- Write-offs were INR 81.31 Crores
- Profit After Tax (PAT) increased by 23.40% YoY to INR 126.45 Crores from INR 102.47 Crores
- Healthy capital position with CRAR of 27.90%
- Robust liquidity of INR 1,357.66 Crores of cash & cash equivalents, amounting to 12.28% of the total assets

Special Highlights: Q3 FY24

- Fusion Micro Finance was awarded the "**Most Influential Microfinance of the Year**" award at the 16th NBFC and Fintech Conclave & Awards

Commenting on the performance, **Devesh Sachdev, Managing Director and CEO, Fusion Micro Finance Ltd.** said, "We continue to work on our core building blocks with a consistent growth and return metrics. Our AUM has grown 23.57% YoY and we have added over 4.23 lakh new clients in 9 months, increasing our total borrower base to ~37.80 lakhs across 22 states including 3 Union territories. Our NIM has expanded to 11.54% and we have clocked a PAT of Rs.126.45 crore in this quarter with cumulative PAT of Rs. 372.60 crore in 9M FY24 with consistent ROA of 4.71% and ROE of 19.14%."

(₹ in crore)

Particulars	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%
Interest Income	540.04	420.25	28.50%	496.80	8.70%	1,515.84	1,149.37	31.88%
Total Income	613.24	466.52	31.45%	571.26	7.35%	1,737.28	1,279.30	35.80%
Finance Cost	201.46	168.02	19.90%	191.01	5.47%	575.95	468.54	22.92%
Profit Before Tax	166.50	133.85	24.39%	165.59	0.55%	491.55	360.06	36.52%
Profit After Tax	126.45	102.47	23.40%	125.69	0.60%	372.60	272.63	36.67%
EPS (Basic) (Rs)	12.58	11.14		12.52		37.10	31.75	
EPS (Diluted) (Rs)	12.51	11.10		12.43		36.88	31.64	

Key Metrics: Q3 FY24

(₹ in crore)

Particulars	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%
AUM	10,693.42	8,653.56	23.57%	10,026.43	6.65%	10,693.42	8,653.56	23.57%
Borrowers	0.378	0.34	11.18%	0.369	2.44%	0.378	0.34	11.18%
Number of Branches	1,242	1,057	17.50%	1,164	6.70%	1,242	1,057	17.50%
Particulars	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%
Net Interest Income (NII)	337.21	247.72	36.13%	304.54	10.73%	935.82	673.46	38.96%
Pre-Provision Operating Profit (PPOP)	260.26	183.77	41.62%	241.79	7.64%	737.44	491.23	50.12%
Key Ratios	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%
Net Interest Margin (NIM)	11.54%	10.31%	11.93%	11.12%	3.78%	11.10%	9.92%	11.90%
Cost/Income Ratio	36.80%	38.44%	(4.27%)	36.41%	1.07%	36.50%	39.41%	(7.38%)
Opex/Average AUM	5.85%	5.49%	6.56%	5.61%	4.28%	5.65%	5.52%	2.36%
Gross NPA	3.04%	3.69%	(17.62%)	2.68%	13.43%	3.04%	3.69%	(17.62%)
Expected Credit Loss (ECL)	311.85	289.44	7.74%	300.24	3.87%	311.85	289.44	7.74%
Return on Assets (ROA) (Annualised)	4.71%	4.74%	(0.63%)	4.94%	(4.66%)	4.87%	4.46%	9.19%
Return on equity (ROE) (Annualised)	19.14%	22.04%	(13.16%)	20.02%	(4.40%)	19.75%	20.52%	(3.75%)

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 ~37.8 lakh clients in the country. Fusion Micro Finance 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, growing consistently with an extensive network of 1,242 branches spread across 22 states including 3 Union Territories, as of 31st Dec 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 Addvant – sherry.addvant@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 and nine months ended December 31, 2023 (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.



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

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 24087104BKUBW5495)

Place: Gurugram
Date: February 05, 2024

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
CIN: L65100DL1994PLC061287
Registered office address : II-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028
Statement of Unaudited Financial results for the quarter and nine months ended December 31, 2023

(₹ in crore unless otherwise stated)

Particulars	Quarter ended			Nine Months ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income	540.04	496.80	420.25	1,515.84	1,149.37	1,600.10
Fees and commission income	7.59	8.49	6.15	32.18	11.89	19.58
Net gain on fair value changes	12.61	11.83	6.44	35.23	15.48	25.38
Net gain on derecognition of financial instruments under amortised cost category	32.79	29.52	25.79	87.40	64.30	96.86
Total revenue from operations	593.03	546.64	458.63	1,670.74	1,241.04	1,741.92
Other income	20.21	24.62	7.89	66.54	38.26	58.05
Total income	613.24	571.26	466.52	1,737.28	1,279.30	1,799.97
Expenses						
Finance costs	201.46	191.01	168.02	575.95	468.54	642.78
Impairment on financial instruments	93.76	76.20	49.92	245.89	131.17	200.37
Employee benefit expense	111.87	99.28	84.19	308.99	236.13	325.52
Depreciation and amortization expense	2.38	2.09	1.96	6.23	5.11	7.41
Other expenses	37.27	37.09	28.58	108.67	78.29	111.91
Total expenses	446.74	405.67	332.67	1,245.73	919.24	1,287.99
Profit before tax for the period/year	166.50	165.59	133.85	491.55	360.06	511.98
Tax expense/(credit):						
Current tax	42.79	36.23	29.07	126.88	69.35	110.60
Deferred tax	(2.74)	3.67	2.31	(7.93)	18.08	14.23
Income tax expense	40.05	39.90	31.38	118.95	87.43	124.83
Profit after tax for the period/year	126.45	125.69	102.47	372.60	272.63	387.15
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement gains on defined benefit plans	0.11	0.86	(0.05)	1.29	1.26	0.42
Income tax effect	(0.02)	(0.22)	0.01	(0.32)	(0.32)	(0.11)
Total other comprehensive income	0.09	0.64	(0.04)	0.97	0.94	0.31
Total comprehensive income for the period/year	126.54	126.33	102.43	373.57	273.57	387.46
Paid up Equity Share Capital (Face value of ₹ 10/- each)	100.53	100.48	100.29	100.53	100.29	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) # (₹)	12.58	12.52	11.14	37.10	31.75	43.29
Diluted earnings per share (DEPS) # (₹)	12.51	12.43	11.10	36.88	31.64	43.13

* BEPS and DEPS for the quarter ended and nine months 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: February 05, 2024



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 and nine months ended December 31, 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 February 05, 2024. 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 and nine months ended December 31, 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 a single geographic segment i.e., domestic.
3. (i) The Company, during the quarter and nine months ended December 31, 2023, has granted 3,79,500 and 9,45,500 stock options to the employees respectively, in accordance with the Company's Employee Stock Option Scheme(s).

(ii) The Company, during the quarter and nine months ended December 31, 2023, has issued 52,858 and 1,89,026 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. (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 December 31, 2023, of these liabilities, the Company had paid ₹ 30.09 crore and remaining liability of ₹ 26.28 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 December 31, 2023
BRLMs fees and commissions (including underwriting commission)	26.70	1.41
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	6.27
Miscellaneous expenses	2.31	1.28
Total	56.37	30.09

- (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 nine months ended December 31, 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 December 31, 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 December 31, 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	1,64,745
Aggregate amount of loans (including retention)	434.21
Sale Consideration of loans (excluding retention)	390.79
Number of transactions	2
Weighted average in maturity (in months)	15.85
Weighted average holding period (in months)	8.84
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).

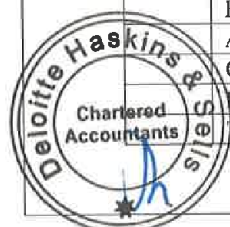
(iii) The Company has not acquired any loans through assignment.

(iv) The Company has not acquired any stressed loan.

9. Disclosure of Liquidity Risk Management as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20

(₹ in crore unless otherwise stated)

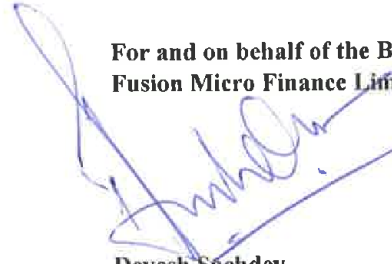
Particulars	For the quarter ended December 31, 2023	
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)	-	634.96
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured 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	633.81	728.89
Total Cash Outflows	633.81	728.89
Cash Inflows		
7 Secured lending	-	-
8 Inflows from fully performing exposures	-	-
9 Other cash inflows	1,012.82	759.62
Total Cash Inflows	1,012.82	759.62
		Total Adjusted Value
Total HQLA		634.96
Total net cash outflows		182.22
Liquidity Coverage ratio (%)		348.45%
Following assets formed part of HQLA		
Assets		
Cash on hand		15.06
Balances with banks – Current Accounts		619.90
Total		634.96



10. Previous periods/year figures have been regrouped / rearranged wherever necessary to conform with current period's classification.

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).

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



**Devesh Sachdev
Managing Director & CEO**

**Place: Gurugram
Date: February 05, 2024**



Annexure I

Disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), for nine months ended as on December 31, 2023

(₹ in crore unless otherwise stated)

Particulars	Nine months ended
	December 31, 2023
(i) Debt-equity ratio (Times) *	2.96
(ii) Net worth **	2,708.95
(iii) Net profit after tax	372.60
(iv) Earnings per share (EPS) (Face Value of ₹ 10/- each):	
(a) Basic EPS (₹) before & after extraordinary items (net of tax expense)	37.10
(b) Diluted EPS (₹) before & after extraordinary items (net of tax expense)	36.88
(v) Total debts to total assets #	0.73
(vi) Net profit margin (%) ##	21.45%
(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 (%) @	3.04%
(b) Net Stage III (%) @@	0.77%
(c) Provision coverage &	75.15%
(d) Capital risk adequacy ratio (CRAR) %-Total	27.90%

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 A: 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 December 31, 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 December 31, 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 December 31, 2023 (Annexure I), and;
 - b. Compliance with the financial Covenants as included in the “Statement of Compliance Status with Financial Covenants as at December 31, 2023” (Annexure II)

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

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 December 31, 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

3. 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.

Deloitte Haskins & Sells

4. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for 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

5. 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 December 31, 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.
6. 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 statements:

- 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 December 31, 2023 and other relevant records and documents maintained by the Company.
 - c. Verified the arithmetical accuracy of the information included in the statements.
 - 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 Statements.
7. We have reviewed the financial results of the Company for the period ended December 31, 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 review report dated February 05, 2024, which is unmodified. 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.

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8. 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.
9. 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

10. 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 securitieshave 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 December 31, 2023.

Restriction on Use

11. 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 Digitally signed by
AGARWAL JITENDRA AGARWAL
Date: 2024.02.05
14:02:10 +05'30'

Place: Gurugram
Date: February 05, 2024

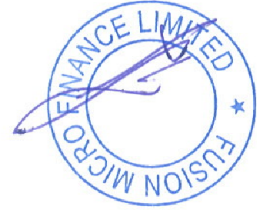
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 24087104BKCUBX7423)

(Amount in Crs)

ANNEXURE-1
STATEMENT OF SECURITY COVER AS ON DECEMBER 31, 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	Other Secured Debt	Pari Passu Charge	Pari Passu Charge	Pari Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Market Value for Assets Exclusive basis	Carrying/book value for assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari Passu Assets	Carrying value/book value for pari 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	Year/No	Book Value	Book Value	Book Value				Relating to Column F			
ASSETS														
Property, Plant and Equipment							19.35		19.35					
Capital Work-in-Progress							2.10		2.10					
Right of Use Assets							8.57		8.57					
Goodwill							-		0.08					
Intangible Assets							0.08		0.08					
Intangible Assets under Development							1.35		1.35					
Investments							2.02		2.02					
Loan Impairment as per Ind AS ***							2,443.30		9,667.74		128.42			128.42
Others							(250.84)		(311.85)					
Total														
Cash and Cash Equivalents							10.23		10.23					
Bank Balances other than Cash and							1,357.66		1,357.66					
Cash Equivalents							60.59		60.59					
Total														
LIABILITIES														
Debt securities to which this certificate pertains *							239.44		239.44					
Goodwill							3,063.26		11,057.26					
Other Debt							-		378.88					119.96
Subordinated debt							33.30		53.30					
Borrowings							-		7,580.04					
Bank							11.65		11.65					
Debt Securities							96.80		96.80					
Others							10.61		10.61					
Trade payables							14.37		14.37					
Lease Liabilities							202.68		202.68					
Provisions							389.41		8,348.33					119.96
Others							-		-					107
Total														119.96
Cover on Book Value **														107
Cover on Market Value														N/A

Notes:
* From Part of 'Debt Securities' included in the Unaudited Financial Remarks for the quarter and nine month ended December 31, 2023
** Cover on Book value is being calculated only on Debts for which the Certificate is being issued



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Trustee Name: Catalyst Trusteeship Limited

Statement of Compliance status with Financial Covenants as on December 31, 2023

Annexure II

S.No.	ISIN	Facility	Amount Outstanding (Rs. In Crores)	Date of Trust deed	Financial Covenants as per Debenture Trust Deed (DTD)	Compliance as on December 31, 2023 (Y/N)
1	INE139R07381	UTI MICROFINANCE ENHANCEMENT FACILITY SA, SICAV-SIF	69.98	08-Mar-21	Clause 2.5.3 of DTD (Refer S.No 1 to 5 of Annexure II-A)	Yes
2	INE139R07407	Blueorchard Microfinance Fund	49.98	17-Mar-21	Refer Clause 2.6(Part B) of the DTD (Refer S.No 1, 6 to 8 of Annexure II-A)	Yes
		Total	119.96			

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Trustee name: Catalyst Trusteeship Limited

Summary of Financial Covenants

Annexure II-A

S.No.	Particulars	As at December 31, 2023	As required by DTD	Notes Reference	Remarks Company
1	CRAR	27.90%	Greater than 15% as prescribed by RBI	A	Ok
2	Portfolio at Risk (PAR)>30 Days Ratio	3.87%	Below 5%	B	Ok
3	Adjusted Return on Assets (ROA)	10.49%	Greater than 0.5%	C	Ok
4	Open loan position 30 days	2.32%	Less than 20%	D	Ok
5	Maturity Mismatch of three months	50.54%	Below 100%	E	Ok
6	Portfolio at Risk (PAR)>30 Days Ratio	6.39%	Below 12%	F	Ok
7	Return on Assets (ROA)	4.87%	Greater than 0%	G	Ok
8	Loan Loss reserves of not less than 100%	106.12%	Not less than 100%	H	Ok

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Notes: Calculation of Financial Covenants

[A] Capital Risk Adequacy Ratio		(Rs. in Crores)
Particulars	CRAR	
Share Capital		100.53
Free Reserve		2,603.86
Total		2,704.39
Less:		
[-] Intangible Assets & leasehold		-15.60
[-] Deferred Revenue Expenditure		-9.08
[-] Deferred Tax Assets		-85.35
		-110.03
Tier I Capital		2,594.36
Tier I Ratio		26.96%
Provision on Standard Assets		58.71
Subordinated Debt		31.78
Tier II Capital		90.49
Total RWA		9,622.13
Tier II Ratio		0.94%
CRAR		27.90%

[B] Portfolio at Risk (PAR)>30 Days Ratio		(Rs. in Crores)
Particulars	PAR>30 Ratio	
Portfolio at risk (PAR) > 30 days (A)		374.15
Gross Loan Portfolio (GLP) (B)		9,667.74
Ratio (A/B)		3.87%

[C] Adjusted Return on Assets (ROA)		(Rs. in Crores)
Particulars	Adjusted ROA %	
Net Profit		372.60
Add: Interest Expense (1-tax rate)		430.98
Adjusted Net profit (A)		803.58
Average Total Assets (B)		10,210.41
Total Assets as on Dec 23		11,057.28
Total Assets as on March 23		9,363.54
Ratio (A/B)		10.49%

[D] Open loan position 30 days		(Rs. in Crores)
Particulars	Adjusted ROA %	
GLP of Stage II & Stage III Loans		374.15
Add: Restructured loans greater than 30 days		-
Less Loan loss reserves		311.85
Open loan position		62.30
Total of Tier I and Tier II capital (CRAR)		2,684.85
Ratio		2.32%

[E] Maturity Mismatch of three months		(Rs. in Crores)
Particulars	ALM 3M/Total Equity	
Cumulative Mismatch for 3 Months (A)		1,377.00
Total Equity		2,708.95
Add: 50% of Qualifying Subordinate Debt (C)		15.89
Total Equity (including C above) (B)		2,724.84
Ratio (A/B)		50.54%



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[F] Portfolio at Risk (PAR)>30 Days+Written off Ratio		(Rs. in Crores)
Particulars	PAR>30 Ratio	
Stage II + Stage III Book Debts		374.15
Written off during the period ended December 31, 2023		244.09
Non- COVID Restructured Loan		-
Portfolio at risk (PAR) > 30 days + Written off (A)		618.24
Gross Loan Portfolio (GLP) (B)		9,667.74
Ratio (A/B)		6.39%

[G] Return on Assets (ROA)		(Rs. in Crores)
Particulars	PAR>30 Ratio	
Profit after tax (PAT) (A)		372.60
Total Assets- Dec 31 2023		11,057.28
Total Assets-March 2023		9,363.54
Average Assets (B)		10,210.41
ROA (A/B)		4.87%

[H] Loan Loss reserves of not less than 100%		(Rs. in Crores)
Particulars	Amount	
ECL Provision (A)		311.85
Stage III loans		293.86
Portfolio at Risk (PAR) >90 Days (B)		293.86
Ratio		106.12%

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