

Date: 06.05.2024

Letter No. FMFL/SEC/2024-25/SE-13

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: Monitoring Agency Report for the quarter ended March 31, 2024

Dear Sir/Ma'am,

Pursuant to Regulation 32(6) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find attached Monitoring Agency Report for the quarter ended March 31, 2024, issued by CARE Ratings Limited, Monitoring Agency, appointed to monitor the utilisation of proceeds of the Public Issue (IPO) of the Company. The above report has been placed before and considered by the Audit Committee in its meeting held on May 06, 2024.

The same is also available on the website of company i.e., www.fusionmicrofinance.com

You are requested to take the same on your record.

For **Fusion Micro Finance Limited**

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

Monitoring Agency Report



Ratings • Advisory • Research • Risk Solutions

No. CARE/NRO/GEN/2024-25/1002

The Board of Directors

Fusion Micro Finance Limited

Plot No. 86, Institutional Sector-32,
Gurgaon, Haryana 122003

May 04, 2024

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the IPO of Fusion Micro Finance Limited ("the Company")

We write in our capacity of Monitoring Agency for the Initial Public Offer for the amount aggregating to Rs. 600.00 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated October 25, 2022.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Neha Kadiyan

Associate Director

neha.kadiyan@careedge.in

CARE Ratings Limited

Plot no. C-001 A/2 Sector 16B, Berger Tower,
Noida, Gautam Budh Nagar (UP) - 201301
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Report of the Monitoring Agency

Name of the issuer: Fusion Micro Finance Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: nil

(b) Range of Deviation: not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Neha Kadiyan

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details: /

Name of the issuer : Fusion Micro Finance Limited
 Name of the promoter : Mr. Devesh Sachdev
 Honey Rose Investment Ltd
 Creation Investments Fusion, LLC
 Creation Investments Fusion II, LLC

Industry/sector to which it belongs : NBFC-MFI

2) Issue Details

Issue Period : November 02, 2022 to November 04, 2022
 For Anchor November 01, 2022
 Type of issue (public/rights) : Initial Public Offer
 Type of specified securities : Equity shares
 IPO Grading, if any : Not Applicable
 Issue size (in ` crore) : Rs. 600.00 crore (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as part of IPO	1,63,04,347
Total subscriptions towards IPO (in Rs.)	600.00
Details of expenses incurred related to IPO* (in Rs.)	30.64
Net Proceeds of IPO (Rs.)	569.36

**The amount mentioned as expenses was earmarked for cost of issue pertains to fresh issue of share as per the offer document and Certificate of chartered accountant dated November 07, 2022 (Annexure-IV). However, we have verified the expenses of ₹27.97 crore as per the CA certificate from BGNA and Associates dated April 16, 2024 and balance of ₹2.67 crore is yet to be incurred.*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate* and Bank statement	All the proceeds from IPO has been utilized appropriately for the objectives mentioned in the offer document.	Yes
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	Not applicable
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	No	Earlier monitoring agency report	No, there are no deviations observed from last monitoring agency report	No
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	Not applicable
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Not applicable
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	No

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

*Chartered accountant certificate from M/s Deloitte Haskins & Sells Chartered Accountants dated May 10, 2023 for full utilization of net proceeds and CA certificate from BGNA and Associates dated April 16, 2024 for expenses of the issue.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Utilisation of net proceeds from fresh issue towards augmenting capital base of the Company to meet future capital requirement which are expected to arise out of growth in the company	Chartered Accountant certificate*, Bank statements, Offer Document	569.36**	Not applicable	Nil	NA	NA	NA
Total			569.36**					

*CA certificate from Deloitte Haskins & Sells dated May 10, 2023, the statutory auditor of the company

** Amount is net of expenses (₹30.64 crore as per the CA Certificate dated November 07, 2022)

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Utilisation of net proceeds from fresh issue towards augmenting capital base of the Company to meet future capital requirement which are expected to arise out of growth in the company	Chartered Accountant certificate*, Bank statements, Offer Document	569.36	573.40**	0.0	573.40	0.00	The funds received from issue proceeds were utilized towards disbursements, as per the objects of the issue.	NA	NA
Total			569.36	573.40	0.00	573.40	0.00			

*CA certificate from M/s Deloitte Haskins and Sells dated May 10, 2023, the statutory auditor of the company

** Amount utilized at beginning of the quarter is inclusive of interest on FD amounting ₹4.04 crore.

(iii) Deployment of unutilized public issue proceeds: No amount is unutilized as on March 31, 2024

(iv) Delay in implementation of the object(s) – Not Applicable

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Not applicable

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

CARE Ratings Limited

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CIN-L67190MH1993PLC071691