

Date: 05.02.2024**Letter No. FMFL/SEC/2023-24/SE-121**

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 December 31, 2023

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 December 31, 2023, 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 February 05, 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**
(Formerly Fusion Micro Finance Private Limited)

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

Monitoring Agency Report

CareEdge

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No. CARE/NRO/GEN/2023-24/1022

Mr. Gaurav Maheshwari
Chief Financial Officer
Fusion Micro Finance Limited
Plot No-86, Institutional Sector-32,
Gurgaon, Haryana 122003.

February 01, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended December 31, 2023 - in relation to the Initial Public Offer 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 ₹ 600.00 crore of the Company and refer to our duties cast under 41 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 December 31, 2023 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
Phone: +91-120-4452 000

CIN-L67190MH1993PLC071691

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

Report of the Monitoring Agency

Name of the issuer: Fusion Micro Finance Limited

For quarter ended: December 31, 2023

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.



Neha Kadiyan
Associate Director

CARE Ratings Limited

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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 proceeds received from fresh issue (in Rs. Crore)	600.00
Details of expenses incurred related to IPO* (in Rs. Crore)	30.64
Net proceeds available for utilization (in Rs. Crore)	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 ₹16.35 crore as per the CA certificate and balance of ₹14.29 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 the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*	Yes	Yes

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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	Not applicable	No	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

* Chartered Accountant certificate from M/s Deloitte Haskins & Sells Chartered Accountants dated May 10, 2023 for full utilisation of the net proceeds. Chartered Accountant certificate from M/s BGNA & Associates dated January 23, 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	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	Proposed financing	Particulars of firm arrangements made

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		preparation of report				revisi on	optio n	
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 applicabl e	Nil	NA	NA	NA
Total			569.36					

* Chartered Accountant certificate from M/s Deloitte Haskins & Sells dated May 10, 2023, the statutory auditor of the company

** Amount is net of expenses (₹ 30.64 crore as per the offer document)

(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			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	Chartered Accountant certificate*, Offer Document	569.36	573.40* *	0.0	573.40	Nil	NA	NA

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	growth in the company								
Total		569.36	573.40	0.0	573.40				

* Chartered Accountant certificate from M/s Deloitte Haskins & Sells dated May 10, 2023, the statutory auditor of the company

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

(iii) Deployment of unutilized IPO proceeds: No amount is unutilized as on December 31, 2023.

(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

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