

No. CTL/DEB/20-21/Noting Certificate/2929

November 10, 2020

To Whomsoever It May Concern,


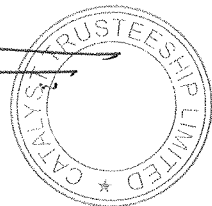
## **CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited ("**Debenture Trustee**") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("**Regulations**"), provided to us by **Fusion Microfinance Private Limited** ("**the Company**") for the Half year ended September 30, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For **Catalyst Trusteeship Limited**

**Authorised Signatory**

*Encl: Results submitted by Company*



**Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to**  
**The Board of Directors**  
**Fusion Micro Finance Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Fusion Micro Finance Private Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
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 Indian Accounting Standard 34, "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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 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 Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 4 to the financial results, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of the impairment loss allowance which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
per Amit Kabra

Partner

Membership No.: 094533

UDIN: 20094533AAAAJG1830

Gurugram

November 09, 2020



Fusion Micro Finance Private Limited  
CIN: U65100DL1994PTC061287  
Registered office address : H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028  
Phone No. 011-46646600, Website : www.fusionmicrofinance.com  
Financial results for the half year ended September 30, 2020

(Rs in millions unless otherwise stated)

| Particulars                                       | As at<br>September 30, 2020 | As at<br>March 31, 2020 |
|---|-----------------------------|-------------------------|
|   | Unaudited                   | Audited                 |
| <b>ASSETS</b>                                     |                             |                         |
| Financial assets                                  |                             |                         |
| Cash and cash equivalents                         | 7,506.19                    | 5,396.67                |
| Bank balance other than cash and cash equivalents | 1,481.12                    | 2,780.82                |
| Trade receivables                                 | 6.40                        | 31.39                   |
| Loan portfolio                                    | 35,042.82                   | 33,429.73               |
| Investments                                       | 603.17                      | 5.00                    |
| Other financial assets                            | 182.82                      | 238.46                  |
| <b>Total financial assets</b>                     | <b>44,822.52</b>            | <b>41,882.07</b>        |
| Non-financial Assets                              |                             |                         |
| Current tax assets ( net)                         | 73.80                       | 119.09                  |
| Deferred tax assets (net)                         | 517.84                      | 305.02                  |
| Property, plant and equipment                     | 54.32                       | 58.98                   |
| Capital work-in-progress                          | 6.18                        | -                       |
| Intangible assets                                 | 2.44                        | 1.47                    |
| Right to use assets                               | 82.70                       | -                       |
| Other non-financial assets                        | 15.81                       | 33.31                   |
| <b>Total non-financial assets</b>                 | <b>753.09</b>               | <b>517.87</b>           |
| <b>Total Assets</b>                               | <b>45,575.61</b>            | <b>42,399.94</b>        |
| <b>LIABILITIES AND EQUITY</b>                     |                             |                         |
| Liabilities                                       |                             |                         |
| Financial liabilities                             |                             |                         |
| Trade Payables                                    | 160.30                      | 40.71                   |
| Debt securities                                   | 5,349.97                    | 3,998.98                |
| Borrowings (other than debt securities)           | 25,322.40                   | 24,571.58               |
| Subordinated liabilities                          | 1,166.73                    | 1,166.29                |
| Other financial liabilities                       | 1,100.48                    | 513.28                  |
| <b>Total financial liabilities</b>                | <b>33,099.88</b>            | <b>30,290.84</b>        |
| Non-financial liabilities                         |                             |                         |
| Current tax liabilities (net)                     | 69.43                       | 0.53                    |
| Provisions  | 74.86                       | 57.72                   |
| Other non-financial liabilities                   | 54.59                       | 61.96                   |
| <b>Total non-financial liabilities</b>            | <b>198.88</b>               | <b>120.21</b>           |
| Equity  |                             |                         |
| Equity share capital                              | 789.50                      | 789.50                  |
| Other equity                                      | 11,487.35                   | 11,199.39               |
| <b>Total equity</b>                               | <b>12,276.85</b>            | <b>11,988.89</b>        |
| <b>Total Liabilities and Equity</b>               | <b>45,575.61</b>            | <b>42,399.94</b>        |

For and on behalf of the Board of Directors of  
FUSION MICRO FINANCE PRIVATE LIMITED

Place: New Delhi  
Date: November 09, 2020



MD&CEO  
Devesh Saxena  
Managing Director and CEO

Fusion Micro Finance Private Limited  
CIN: U65100DL1994PTC061287  
Registered office address : 11-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028  
Phone No. 011-46646600, Website : www.fusionmicrofinance.com  
Financial results for the half year ended September 30, 2020

| Particulars   | (Rs in millions unless otherwise stated)   |  |                                   |
|---|--|--|-----------------------------------|
|   | For the half year ended September 30, 2020 | For the half year ended September 30, 2019 | For the year ended March 31, 2020 |
|   | Unaudited                                  | Unaudited                                  | Audited                           |
| Revenue from operations   |  |  |                                   |
| Interest income   | 3,836.77                                   | 3,178.49                                   | 6,664.88                          |
| Fees and commission income  | 2.06                                       | 21.26                                      | 34.64                             |
| Net gain on fair value changes  | 47.07                                      | 148.55                                     | 231.57                            |
| Net gain on derecognition of financial instruments under amortised cost category                                | -  | 80.38                                      | 271.55                            |
| Total revenue from operations   | 3,885.90                                   | 3,428.68                                   | 7,202.64                          |
| Other income  | 19.52                                      | 11.53                                      | 100.47                            |
| Total income  | 3,905.42                                   | 3,440.21                                   | 7,303.11                          |
| Expenses  |  |  |                                   |
| Finance costs   | 1,746.36                                   | 1,702.66                                   | 3,376.72                          |
| Impairment on financial instruments   | 813.07                                     | 150.65                                     | 926.99                            |
| Employee benefit expense  | 764.23                                     | 682.35                                     | 1,483.33                          |
| Depreciation and amortization expense   | 13.25                                      | 11.36                                      | 25.76                             |
| Other expenses  | 195.43                                     | 247.77                                     | 490.36                            |
| Total expenses  | 3,532.34                                   | 2,794.79                                   | 6,303.16                          |
| Profit before tax   | 373.08                                     | 645.42                                     | 999.95                            |
| Tax expense:  |  |  |                                   |
| Current tax   | 311.69                                     | 129.80                                     | 395.99                            |
| Deferred tax  | (212.81)                                   | 41.30                                      | (92.14)                           |
| Income-tax expense  | 98.88                                      | 171.10                                     | 303.85                            |
| Profit after tax  | 274.20                                     | 474.32                                     | 696.10                            |
| Other comprehensive income  |  |  |                                   |
| Items that will not be reclassified subsequently to profit or loss  |  |  |                                   |
| -Remeasurement gain on defined benefit plans  | -  | -  | 6.45                              |
| -Income tax effect  | -  | -  | (1.40)                            |
| Total other comprehensive income  | -  | -  | 5.05                              |
| Total comprehensive income for the period/year  | 274.20                                     | 474.32                                     | 701.15                            |
| Earnings per share (equity share, par value of Rs. 10 each)<br>Computed on the basis of total profit for period |  |  |                                   |
| Basic earning per share (BEPS) *  | 3.47                                       | 7.51                                       | 10.55                             |
| Diluted earning per share (DEPS) *  | 3.43                                       | 7.51                                       | 10.40                             |

\*BEPS and DEPS for the half year ended September 2020 and September 2019 are not annualised

Place: New Delhi  
Date: November 09, 2020



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

Devesh Sachdev  
Managing Director and CEO

Fusion Micro Finance Private Limited

(CIN: U65100DL1994PTC061287)

Registered office address: H-1, Block C, Community Centre, Naraina Vihar, New Delhi-110028  
Financial results for the half year ended September 30, 2020

Notes:

1. The above results for half year ended September 30, 2020 have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meetings held on November 9, 2020, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The Statutory Auditors of the Company have reviewed the financial results for the half year ended September 30, 2020.
2. The company operates in a single business segment i.e. lending to members, 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. In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on 27 March 2020, 17 April 2020 and 22 May 2020, the Company has granted a moratorium for the payment of all instalments falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers that have opted to avail the same. The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

Disclosure as required by RBI Circular - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 'CoVID-19 Regulatory Package - Asset classification and provisioning are given below:

| Particulars  | (In Rs Million)         |                     |
|--|-------------------------|---------------------|
|  | As at September 30 2020 | As at March 31 2020 |
| Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 as of February 29 2020* | 38.22                   | 47.29               |
| Respective amounts where asset classification benefit is extended**  | 262.81                  | 292.52              |
| Provision outstanding in terms of paragraph 5 of circular (As per paragraph 4, applicable to NBFC's covered under IND AS) ***                    | 71.31                   | 63.45               |
| Provision adjusted against slippages in terms of paragraph 6 of the circular   | -                       | -                   |
| Residual Provision as per paragraph 6 of circular  | 71.31                   | 63.45               |

\*Represents the amount of installments due for cases with 1-90 days past due (DPD) as of February 29, 2020

\*\* Represents principle outstanding for cases with 1-90 DPD as of February 29, 2020

\*\*\* This is inclusive of additional provision on account of COVID -19

4. The COVID - 19 pandemic continues to impact the global and local economic activity in India. While there has been some improvement in economic activities during the current half year, the continued slowdown has led to a decrease in loan originations and efficiency of collection efforts. The extent to which the COVID - 19 will continue to impact Company's results, including provisions, remain uncertain and would depend upon the time taken for economic activities to revert to normal levels. The Company has recorded an expected credit loss provision of Rs.1786.09 Mn in respect of its loans and advance which includes a management overlay of Rs.546.19 Mn as at 30 September 2020 based on the information available at this point in time to reflect among other things an increased risk of deterioration in macro-economic factors.

In assessing the recoverability of loans the Company has considered internal and external sources of information up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

5. The Government of India, Ministry of Finance vide its notification dated October 23 2020 had announced COVID-19 Relief Scheme for grant of ex-gratia payment between compound interest and simple interest for six months (March 2020 to August 2020) to borrowers in specified loan accounts, as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium availed or not. Since the Company has only charged simple interest from its customers during the six months and hence has concluded there is no requirement for payment of ex-gratia amount to customers.
6. The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for income tax for the half year ended September 30, 2020 and re-measured its deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective tax rate.




For Fusion Microfinance Pvt. Ltd.  
MD&CEO

7. In terms of applicability of Ind AS 116, the Company has availed exemption on the branch lease on the plea of short-term lease arrangements. For new head office lease arrangement entered during the half year ended September 30, 2020, the Company has recorded Rights of Use asset (ROU) and Lease Obligation (LO) on the balance sheet. The balance as of September 30, 2020 for ROU and LO is Rs. 82.70 million and Rs. 84.20 million respectively.
8. The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.
9. The above financial results are available on the stock exchange website ([www.bseindia.com](http://www.bseindia.com)) and the website of the Company ([www.fusionmicrofinance.com](http://www.fusionmicrofinance.com)).

Place: Delhi  
Date: November 9, 2020



For and on behalf of the Board of Directors of  
Fusion Micro Finance Private Limited  
For Fusion Microfinance Pvt. Ltd.

  
Bevesh Sarda  
Managing Director & CEO



# Fusion Microfinance (Pvt.) Ltd.

## Disclosure pursuant to Regulation 52(4) of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015

We wish to inform the following for half year ending September 30, 2020 on the basis of Unaudited financials of the Company –

### 1. Credit Rating:

| S.No. | Facility                   | Rating Agency | Rating            |
|-------|----------------------------|---------------|-------------------|
| 1     | Non-Convertible Debentures | CARE          | CARE A-; Stable   |
|       |                            | ICRA          | ICRA A- Stable    |
| 2.    | Term Loan                  | CARE          | CARE A-; Stable   |
|       |                            | CRISIL        | CRISIL A-; Stable |

2. Asset cover available = 1.37 times as on September 30, 2020

3. Debt to Equity Ratio = 2.59 times as on September 30, 2020

4. The interest was paid on September 30, 2020 (Previous due date for payment of interest)

Details of redemption & payment of interest during last half year

| Series / Tranche                          | ISIN         | Type<br>(Principal/Interest) | Due date of<br>payment | Amount<br>(Rs.) | Actual date of<br>payment |
|---|--------------|------------------------------|------------------------|-----------------|---------------------------|
|   |              |                              | (DD/MM/YY)             |                 | (DD/MM/YY)                |
| Pettelaar<br>Effectenbewaarbedrijf N.V.   | INE139R07233 | Interest                     | 15-05-20               | 33372857        | 15-05-20                  |
| AAV S.A.R.L (IV)                          | INE139R07225 | Interest                     | 13-05-20               | 21248675.8      | 13-05-20                  |
| Blue Orchard<br>Microfinance Fund (I)     | INE139R07241 | Interest                     | 31-08-20               | 29814898        | 31-08-20                  |
| UTI International Wealth<br>Creator 4     | INE139R08058 | Interest                     | 15-09-20               | 34833377        | 15-09-20                  |
| UTI International Wealth<br>Creator 4- II | INE139R08041 | Interest                     | 09-09-20               | 22166696        | 09-09-20                  |



|   |              |          |          |          |          |
|---|--------------|----------|----------|----------|----------|
| Creator 4- II   |              |          |          | 22166696 |          |
| AAV S.A.R.L (III)   | INE139R07183 | Interest | 13-09-20 | 11748852 | 14-09-20 |
| Triodos Microfinance<br>Fund & Triodos Fair Share<br>Fund                                   | INE139R07191 | Interest | 16-09-20 | 40631664 | 16-09-20 |
| Northern Arc Capital Limited  | INE139R08033 | Interest | 01-04-20 | 3418033  | 01-04-20 |
|   |              |          | 01-05-20 | 3418033  | 30-04-20 |
|   |              |          | 01-06-20 | 3531967  | 01-06-20 |
| Karvy Capital Limited   |              |          | 01-07-20 | 3418033  | 01-07-20 |
|   |              |          | 03-08-20 | 3759836  | 03-08-20 |
|   |              |          | 01-09-20 | 3304098  | 01-09-20 |
| INCOFIN CVSO  | INE139R07217 | Interest | 28-09-20 | 15710383 | 28-09-20 |
| IFMR Fim pact Investment<br>Fund  | INE139R07068 | Interest | 29-09-20 | 3786533  | 29-06-20 |
|   |              | Interest | 29-09-20 | 3828665  | 29-09-20 |
| IFMR Fim pact Long Term<br>credit Fund & IFMR<br>Fim pact Medium Term<br>Opportunities Fund | INE139R08017 | Interest | 29-06-20 | 17416266 | 29-06-20 |
|   |              | Interest | 29-09-20 | 17609866 | 29-09-20 |
| DCB Bank Limited  | INE139R07258 | Interest | 10-09-20 | 2991257  | 10-09-20 |
| Union Bank of India   | INE139R07274 | Interest | 30-09-20 | 5671233  | 30-09-20 |
| Northern Arc Money Market<br>Alpha Trust  | INE139R08066 | Interest | 31-08-20 | 1274426  | 31-08-20 |
|   |              |          | 30-09-20 | 1470492  | 30-09-20 |
| Northern Arc Capital Limited/<br>Au Small Finance Bank Ltd                                  | INE139R07266 | Interest | 19-07-20 | 2810959  | 20-07-20 |
|   |              |          | 19-08-20 | 2904658  | 19-08-20 |
|   |              |          | 19-09-20 | 2904658  | 19-09-20 |

5. The next due date for the payment of interest is as on March 31, 2021.



Details of redemption & interest due in the next half-year –

| Series / Tranche   | ISIN         | Type<br>(Principal/Interest) | Due date of<br>payment | Amount (Rs.) |
|--|--------------|------------------------------|------------------------|--------------|
|  |              |                              | (DD/MM/YY)             |              |
| Pettelaar<br>Effectenbewaarbedrijf N.V.  | INE139R07233 | Interest                     | 16-11-20               | 33898975     |
| AAV S.A.R.L (IV)   | INE139R07225 | Interest                     | 13-11-20               | 21466666.67  |
| Blue Orchard<br>Microfinance Fund (I)  | INE139R07241 | Interest                     | 28-02-21               | 29195857     |
| UTI International Wealth Creator 4   | INE139R08058 | Interest                     | 15-03-21               | 34303304     |
| UTI International Wealth Creator 4-<br>II  | INE139R08041 | Interest                     | 09-03-21               | 21827669     |
| AAV S.A.R.L (III)  | INE139R07183 | Interest                     | 15-03-21               | 11697945     |
| Triodos Microfinance Fund &<br>Triodos Fair Share Fund                                   | INE139R07191 | Interest                     | 16-03-21               | 40014567     |
| Northern Arc Capital<br><br>Limited<br><br><br>Karvy Capital Limited                     | INE139R08033 | Interest                     | 01-10-20               | 3418033      |
|  |              |                              | 02-11-20               | 3645902      |
|  |              |                              | 01-12-20               | 3304098      |
|  |              |                              | 01-01-21               | 3541644      |
|  |              |                              | 01-02-21               | 3541644      |
|  |              |                              | 01-03-21               | 3198904      |
| INCOFIN CVSO   | INE139R07217 | Interest                     | 29-03-21               | 15474352     |
| IFMR Fim pact Investment Fund  | INE139R07068 | Interest                     | 18-12-20               | 3280942      |
|  |              | Principal                    | 18-12-20               | 100000000    |
| IFMR Fim pact Long Term credit<br>Fund & IFMR Fim pact Medium<br>Term Opportunities Fund | INE139R08017 | Interest                     | 30-12-20               | 17609866     |
|  |              | Interest                     | 30-03-21               | 17270240     |
| DCB Bank Limited   | INE139R07258 | Interest                     | 10-12-20               | 2958743      |



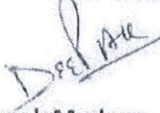
|   |              |           |          |          |
|---|--------------|-----------|----------|----------|
|   |              |           | 10-03-21 | 2934247  |
| Union Bank of India                                     | INE139R07274 | Interest  | 30-12-20 | 5609589  |
|   |              |           | 30-03-21 | 5547945  |
| Indian Bank   | INE139R07290 | Interest  | 29-10-20 | 5797260  |
|   |              |           | 29-01-21 | 5797260  |
| State Bank of India                                     | INE139R07282 | Interest  | 21-10-20 | 6318493  |
|   |              |           | 21-01-21 | 7089041  |
| Northern Arc Money Market Alpha Trust                   | INE139R08066 | Interest  | 31-10-20 | 1519508  |
|   |              |           | 30-11-20 | 1470492  |
|   |              |           | 31-12-20 | 1519508  |
|   |              |           | 31-01-21 | 1523671  |
|   |              |           | 28-02-21 | 1376219  |
|   |              |           | 31-03-21 | 1523671  |
| Punjab National Bank                                    | INE139R07308 | Interest  | 12-11-20 | 6616438  |
|   |              |           | 12-02-21 | 6616438  |
| Union Bank of India                                     | INE139R07308 | Interest  | 12-11-20 | 6616438  |
|   |              |           | 12-02-21 | 6616438  |
| Northern Arc Capital Limited/ Au Small Finance Bank Ltd | INE139R07266 | Interest  | 19-10-20 | 2810959  |
|   |              | Interest  | 19-11-20 | 2904658  |
|   |              | Interest  | 19-12-20 | 2810959  |
|   |              | Principal | 19-12-20 | 50000000 |
|   |              | Interest  | 19-01-21 | 2420548  |
|   |              | Interest  | 19-02-21 | 2420548  |
|   |              | Interest  | 19-03-21 | 2186301  |



6. Debenture redemption reserve= Not Applicable
7. Net worth= 12,276.85 Million as on September 30, 2020
8. Net profit after tax = 274.20 Million as on September 30, 2020
9. Earnings per share = 3.47 (Basis) and 3.43 (Diluted)

Thanking you,

For FUSION MICROFINANCE PRIVATE LIMITED

  
Deepak Madaan  
Company Secretary

