

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India.

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Auditors' Report on annual financial results of Fusion Micro Finance Private Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fusion Micro Finance Private Limited

We have audited the accompanying annual financial results of Fusion Micro Finance Private Limited (the 'Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in these annual financial results are the balancing figures between audited figures in respect of the full financial year and the published audited year to date figures for the half year ended 30 September 2018 and the published unaudited year to date figures up to the half year ended 30 September 2017 respectively.

These annual financial results have been prepared on the basis of the annual financial statements and audited half year financial results, which are the responsibility of the Company's Management and have been approved by the Board of Directors in the meeting held on 27 May 2019. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditors' Report on annual financial results of Fusion Micro Finance Private Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2019.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 116231W/W-100024



Place: New Delhi
Date: 27 May 2019

Arpan Jain
Partner
Membership No: 125710

Fusion Micro Finance Private Limited

CIN: U65100DL1994PTC061287

Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028

Balance Sheet as at 31 March 2019

(Rs in lakhs)

Particulars	As at	As at
	31 Mar 2019	31 March 2018
	Audited	Audited
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	6,157.76	4,418.27
Reserves and surplus	56,108.70	21,351.26
	62,266.46	25,769.53
Non-current liabilities		
Long-term borrowings	141,947.74	100,248.61
Long-term provisions	487.21	169.69
	142,434.95	100,418.30
Current liabilities		
Short-term borrowings	9,684.03	10,081.76
Other current liabilities	121,815.69	55,305.62
Short-term provisions	4,696.31	5,270.93
	136,196.03	70,658.31
Total	340,897.44	196,846.14
ASSETS		
Non-current assets		
Property, plant and equipment	535.15	472.49
Intangible assets	17.26	23.92
Deferred tax assets, net	2,287.39	2,509.32
Loan portfolio	68,572.87	43,919.35
Long-term loans and advances	1,082.64	901.50
Other non-current assets	5,101.65	7,499.95
Non-current investments	50.00	50.00
	77,646.96	55,376.53
Current assets		
Trade receivables	60.92	47.97
Cash and bank balances	93,512.52	50,583.28
Loan portfolio	165,610.26	88,349.58
Short-term loans and advances	544.65	562.00
Other current assets	3,522.13	1,926.78
	263,250.48	141,469.61
Total	340,897.44	196,846.14



for and on behalf of the Board of Directors of
Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287

Devesh Sachdev
MD & CEO
DIN: 02547111



Place: New Delhi
Date: 27 May 2019

Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287
Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028
Statement of audited financial results for the year ended 31 March 2019

Particulars	(Rs in lakhs)			
	For the half year ended 31 March 2019	For the half year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
	Audited	Audited	Audited	Audited
Income				
Revenue from operations	27,157.24	15,340.16	48,626.27	25,446.47
Other income	1,644.84	421.36	2,538.33	1,284.80
Total revenue (A)	28,802.08	15,761.52	51,164.60	26,731.27
Expenses				
Operating expenses	2,867.40	4,210.54	3,777.11	9,449.60
Employee benefits expense	5,395.02	3,595.42	10,119.17	6,610.08
Finance costs	13,847.11	7,318.94	24,420.78	13,660.24
Depreciation and amortisation	135.54	112.39	238.74	204.07
Other expenses	2,398.36	1,237.81	3,786.47	2,167.77
Total expenses (B)	24,643.43	16,475.10	42,342.27	32,091.76
Profit/(Loss) before tax (C= (A-B))	4,158.65	(713.58)	8,822.33	(5,360.49)
Tax expenses: (D)				
- Current tax	1,797.29	(69.31)	2,065.19	-
- Deferred tax	(803.17)	330.34	221.93	(1,419.14)
Profit/(Loss) after tax (C-D)	3,164.53	(974.61)	6,535.21	(3,941.35)
Earning per equity share*				
[Nominal value per share Rs.10 (previous year: Rs.10)]				
- Basic	5.58	-2.65	13.21	(11.09)
- Diluted	5.58	-2.65	13.21	(11.09)#
Other disclosures				
Debt Equity Ratio	4.25	6.23	4.25	6.23
Net profit after tax	3,164.53	(974.61)	6,535.21	(3,941.35)
Net worth	62,266.46	25,769.53	62,266.46	25,769.53

* Not annualized for half year ended 31 March 2019 and 31 March 2018.

The outstanding potential equity shares has an anti-dilutive effect on EPS for the year ended 31 March 2018 and half year ended 31 March 2018. Hence, basic earnings per share equals diluted earnings per share.

Notes to the financial results:

- The above results were duly reviewed by the Audit Committee and approved by Board of Directors of the Company at their meeting held on 27 May 2019.
- The statutory auditors have carried out audit of the yearly financial results of the Company for the year ended 31 March 2019.
- Figures for six months ended March 31, 2019 and March 31, 2018 represents balancing figures between audited figures in respect of the full financial year and the published audited year to date figures for the half year ended 30 September 2018 and the published unaudited year to date figures up to the half year ended 30 September 2017 respectively.
- The Company is primarily engaged in the business of Micro Finance in India. All the activities of the Company revolve around the main business. As such there are no separate reportable segments as per Accounting Standard (AS)-17 "Segment Reporting".
- Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the Management are given in Annexure A.
- Previous year's/period's figures have been regrouped /reclassified, where necessary to conform current period's classification.



Annexure A

Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2019

1. Credit Rating:

Facility	Current rating	Previous rating
MFI Grading	MFI 1 CARE	MFI 2+ CARE
Long term bank facility	CARE A-	CARE BBB+
Non-convertible debentures (including sub debt)	ICRA A-/CARE A-	ICRA BBB/CARE BBB+

2. Debt - Equity Ratio of the Company as on 31 March 2019 is 4.25 and on 31 March 2018 is 6.23

3. The previous and next due date for the payment of interest / principal amount for debenture and the actual date of payment for the year ended 31 March 2019 are as under. All interest and principal payments have been made on the due date.

S.No.	Series Name	Previous Due Date		Next Due Date	
		Principal	Interest	Principal	Interest
1	Blue Orchard (Microfinance Initiative for Asia)	-	16-Jun-18	-	-
2	IFMR Fim pact Investment Fund	-	30-Mar-19	18-Dec-20	29-Jun-19
3	Blue Orchard (Microfinance Enhancement Facility)	30-Apr-18	30-Apr-18	-	-
4	Blue Orchard (Microfinance Enhancement Facility 2)	-	7-Feb-19	7-Aug-21	7-Aug-19
5	Pettelaar Effectenbewaarbedrijf N.V. (TJ)	-	15-Nov-18	16-May-22	3-Jun-19
6	AAV Sarl-Symbiotic I	13-Aug-18	13-Aug-18	-	-
7	AAV Sarl-Symbiotic II	-	13-Nov-18	13-Jul-19	13-Jul-19
8	AAV Sarl-Symbiotic III	-	13-Mar-19	15-Mar-21	13-Sep-19
9	AAV Sarl-Symbiotic IV	-	-	22-Oct-21	13-May-19
10	Blue Orchard (Microfinance Fund)	-	28-Feb-19	31-Aug-21	31-Aug-19
11	Blue Orchard (Microfinance Fund-2)	-	7-Feb-19	7-Aug-21	7-Aug-19
12	UTI International Wealth Creator 4	-	15-Mar-19	15-Sep-25	15-Sep-19
13	IFMR Fim pact Long Term Credit Fund	-	30-Mar-19	30-Mar-23	29-Jun-19
14	IFMR Fim pact Medium Term Opportunities Fund	-	30-Mar-19	30-Mar-23	29-Jun-19
15	CPP-Incofin	-	7-Jan-19	7-Jul-20	8-Apr-19
16	CBSO-Incofin	-	27-Mar-19	27-Sep-21	27-Sep-19
17	Hinduja Leyland Finance Limited	28-Feb-19	28-Feb-19	30-Aug-19	31-May-19
18	IFMR Fim pact Income Builder Fund	-	-	2-Sep-21	2-Sep-21
19	Triodos Microfinance Fund	-	16-Mar-19	16-Mar-24	16-Sep-19
20	Triodos Fair Share Fund	-	16-Mar-19	16-Mar-24	16-Sep-19
21	Karvy Capital Limited	-	1-Mar-19	29-Sep-23	1-Apr-19
22	Northern ARC Capital Limited	-	1-Mar-19	29-Sep-23	1-Apr-19

4. Debenture Redemption Reserve (DRR): The Company, being an NBFC, is not required to create DRR in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.

5. Net worth: Rs. 62,266.46 Lakhs

6. Net Profit After Tax: Rs. 6,535.20 Lakhs

7. Earning per share: Rs. 13.21 per share

