



Fusion Microfinance (Pvt.) Ltd.

Letter No. : FMPL/SEC/2020-21/BSE-59

Date: November 9, 2020

The General Manager
BSE Limited,
1st Floor, P J. Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

**Sub: Un-audited Financial Results for the half – year ended
September 30, 2020 and Limited Review Reports thereon and other disclosures**

In accordance with Regulation 52(1) & (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after refer to as 'LODR'), please find enclosed herewith the Un-audited Financial Results for the half - year ended September 30, 2020, as reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held today, the 9th November, 2020. The Limited Review Reports issued by M/s. S. R. Batliboi & Associates, LLP, the Statutory Auditors of the Company, on the said results is also attached.

As required under Regulation 52(8) of the LODR the extract of the results will be published in "Mint" on 10th November, 2020.

Further, also find enclosed herewith requisite disclosure in pursuant to LODR.

Kindly take the same on your record.

Thank you.

Yours faithfully

For FUSION MICROFINANCE PRIVATE LIMITED


Deepak Madaan
Company Secretary



Encl: a/a

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 September 30, 2020	As at March 31, 2020
	Unaudited	Audited
ASSETS		
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
Total financial assets	44,822.52	41,882.07
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
Total non-financial assets	753.09	517.87
Total Assets	45,575.61	42,399.94
LIABILITIES AND EQUITY		
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
Total financial liabilities	33,099.88	30,290.84
Non-financial liabilities		
Current tax liabilities (net)	69.43	0.53
Provisions	74.86	57.72
Other non-financial liabilities	54.59	61.96
Total non-financial liabilities	198.88	120.21
Equity		
Equity share capital	789.50	789.50
Other equity	11,487.35	11,199.39
Total equity	12,276.85	11,988.89
Total Liabilities and Equity	45,575.61	42,399.94

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

Place: New Delhi
Date: November 09, 2020



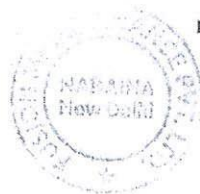
MD&CEO
Devesh Saxena
Managing Director and CEO

Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287
Registered office address : 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

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	-	-	6.46
-Income tax effect	-	-	(1.40)
Total other comprehensive income	-	-	5.06
Total comprehensive income for the period/year	274.20	474.32	701.16
Earnings per share (equity share, par value of Rs. 10 each) 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

MD&CEO
Managing Director and CEO

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

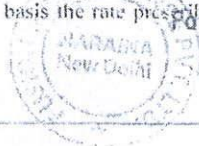
** Represents principle outstanding for cases with 1-90 DPD as of February 29, 2020

*** 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) and the website of the Company (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.


Devesh MD&CEO
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 (Principal/Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
			(DD/MM/YY)		(DD/MM/YY)
Pettelaar 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 Microfinance Fund (I)	INE139R07241	Interest	31-08-20	29814898	31-08-20
UTI International Wealth Creator 4	INE139R08058	Interest	15-09-20	34833377	15-09-20
UTI International Wealth 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 Fund & Triodos Fair Share 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 Fund	INE139R07068	Interest	29-09-20	3786533	29-06-20
		Interest	29-09-20	3828665	29-09-20
IFMR Fim pact Long Term credit Fund & IFMR Fim pact Medium Term 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 Alpha Trust	INE139R08066	Interest	31-08-20	1274426	31-08-20
			30-09-20	1470492	30-09-20
Northern Arc Capital Limited/ 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 (Principal/Interest)	Due date of payment	Amount (Rs.)
			(DD/MM/YY)	
Pettelaar Effectenbewaarbedrijf N.V.	INE139R07233	Interest	16-11-20	33898975
AAV S.A.R.L (IV)	INE139R07225	Interest	13-11-20	21466666.67
Blue Orchard 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-II	INE139R08041	Interest	09-03-21	21827669
AAV S.A.R.L (III)	INE139R07183	Interest	15-03-21	11697945
Triodos Microfinance Fund & Triodos Fair Share Fund	INE139R07191	Interest	16-03-21	40014567
Northern Arc Capital Limited 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 Fund & IFMR Fim pact Medium Term Opportunities Fund	INE139R08017	Interest	30-12-20	17609866
		Interest	30-03-21	17270240
DCB Bank Limited	INE139R07258	Interest	10-12-20	2958743



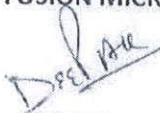
			10-03-21	2934247
Union Bank of India	INE139R07274	Interest	30-12-20	5609589
			30-03-21	5547945
Indian Bank	INE139R07290	Interest	29-10-20	5797260
			29-01-21	5797260
State Bank of India	INE139R07282	Interest	21-10-20	6318493
			21-01-21	7089041
Northern Arc Money Market Alpha Trust	INE139R08066	Interest	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

