

**Independent Auditor's Report On Standalone Financial Results Pursuant to the Regulation 52 of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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, 2019 ('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, read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016.
2. The preparation of the Statement 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 [read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016] is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and 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 recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative Ind AS financial information of the Company for the corresponding half year ended September 30, 2018 included in these accompanying statement of half yearly standalone financial results of the Company, are based on the previously issued standalone financial results for the half year ended September 30, 2018 prepared in accordance with the recognition and measurement principles of Accounting Standard 25 "Interim Financial Reporting", as specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India which were audited by the predecessor auditor whose report dated November 14, 2018 expressed an unmodified opinion on those standalone financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have not been reviewed by us.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

per Amit Kabra  
Partner  
Membership No.: 094533

UDIN: 19094533AAAAJX2580  
Gurugram  
Date: November 8, 2019



Fusion Micro Finance Private Limited  
(CIN: U65100DL1994PTC061287)  
Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028  
Phone No. 011-46646600, Website : www.fusionmicrofinance.com  
Standalone financials results for the half year ended September 30, 2019

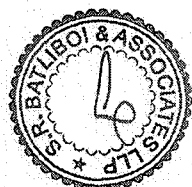
(Rupees in millions unless otherwise stated)

Particulars	As at September 30, 2019
	Unaudited
<b>ASSETS</b>	
<b>Financial assets</b>	
Cash and cash equivalents	5,233.84
Bank Balance other than cash and cash equivalents	2,349.16
Trade receivables	3.75
Loan portfolio	28,637.23
Investments	5.02
Other financial assets	245.93
<b>Total Financial Assets</b>	<b>36,474.93</b>
<b>Non-financial Assets</b>	
Current tax assets (net)	283.34
Deferred tax assets (net)	168.42
Property, plant and equipment	51.26
Capital work-in-progress	0.22
Intangible assets	2.14
Other non - financial assets	22.78
<b>Total Non-Financial Assets</b>	<b>528.16</b>
<b>Total Assets</b>	<b>37,003.09</b>
<b>LIABILITIES AND EQUITY</b>	
<b>LIABILITIES</b>	
<b>Financial liabilities</b>	
Trade Payables	121.68
Debt securities	4,708.64
Borrowings (other than debt securities)	23,230.09
Subordinated liabilities	1,165.88
Other financial liabilities	880.86
<b>Total Financial Liabilities</b>	<b>30,107.15</b>
<b>Non-financial liabilities</b>	
Current tax liabilities (net)	0.38
Provisions	71.03
Other non-financial liabilities	49.39
<b>Total Financial Liabilities</b>	<b>120.80</b>
<b>EQUITY</b>	
Equity share capital	615.88
Other equity	6,159.26
<b>Total Equity</b>	<b>6,775.14</b>
<b>Total Liabilities and Equity</b>	<b>37,003.09</b>

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

*(Signature)*  
Devesh Sachdev  
MD & CEO

Place: New Delhi  
Date: November 08, 2019



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**(CIN: U65100DL1994PTC061287)**  
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**Standalone financials results for the half year ended September 30, 2019**

Particulars	(Rupees in millions unless otherwise stated)	
	Half year ended	
	September 30, 2019	September 30, 2018
	Unaudited	Unaudited
<b>Revenue from operations</b>		
Interest Income	3,178.49	1,914.76
Fees and commission Income	21.26	32.00
Net gain on fair value changes	148.55	76.40
Net gain on derecognition of financial instruments under amortised cost category	80.38	-
<b>Total Revenue from operations</b>	<b>3,428.68</b>	<b>2,023.16</b>
Other Income	11.53	12.75
<b>Total Income</b>	<b>3,440.21</b>	<b>2,035.91</b>
<b>Expenses</b>		
Finance Cost	1,702.66	1,061.81
Impairment on financial instruments	150.65	(34.06)
Employee Benefits Expenses	682.35	482.16
Depreciation and amortisation expense	11.36	10.32
Others expenses	247.77	186.48
<b>Total Expenses</b>	<b>2,794.79</b>	<b>1,706.71</b>
<b>Profit before tax</b>	<b>645.42</b>	<b>329.20</b>
Tax Expense:		
Current Tax	129.80	26.79
Deferred Tax	41.30	54.57
<b>Income tax expense</b>	<b>171.10</b>	<b>81.36</b>
<b>Profit for the period</b>	<b>474.32</b>	<b>247.84</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement gains/(losses) on defined benefit plans	-	(0.02)
Income tax effect	-	0.01
<b>Total Comprehensive Income for the period</b>	<b>474.32</b>	<b>247.83</b>
<b>Earnings per share (equity share, par value of Rs. 10 each)</b>		
Computed on the basis of total profit for the period		
<b>Basic (not annualised)</b>	<b>7.51</b>	<b>5.82</b>
<b>Diluted (not annualised)</b>	<b>7.51</b>	<b>5.77</b>

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

*Devesh Sachdev*  
MD & CEO

Place: New Delhi  
Date: November 08, 2019



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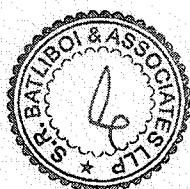
**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 8, 2019, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The above results for the half year ended September 30, 2019 have been reviewed by the Statutory Auditors of the company.
- 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.
- The company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and effective date of the transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards under the Act, read with relevant rules issued there under and guidelines issued by Reserve Bank of India ('RBI') (collectively referred as "the previous GAAP"). Accordingly the impact of transition has been recorded in the opening reserves as at April 1, 2018.  
The corresponding period figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods duly re-stated to Ind AS. These Ind AS adjustments have not been reviewed by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.  
These financial results have been drawn on the basis of Ind AS accounting standards that are applicable to the Company as at September 30, 2019 based on MCA Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 31, 2016 respectively. There is a possibility that these financial results for the current and previous period may require adjustments due to change in the financial reporting requirements arising from new standards, modification to the existing standards, guidelines issued by Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS- 101.
- As required by the paragraph 32 of Ind AS 101, reconciliation of the financial results to those reported under Previous GAAP is summarized as follows:

Reconciliation of the financial results as per previous GAAP	Half year ended September 30, 2018 (Rs in Millions)
<b>Profit after tax as per previous GAAP</b>	<b>337.07</b>
Expected credit loss on financial assets	62.25
Effective interest rate impact on financial assets	(38.76)
Effective interest rate impact on financial liabilities	2.04
EIS receivable net of unamortized processing fees on securitized portfolio	(121.31)
Others	(41.39)
Tax impact of the above adjustments	47.94
<b>Profit after tax as per Ind AS</b>	<b>247.84</b>
Other comprehensive income (net of taxes)	(0.01)
<b>Total comprehensive income as per Ind AS</b>	<b>247.83</b>

- The company has availed the exemption provided by Securities and Exchange board of India (SEBI) vide circular no. CIR/IMD/DFI/69/2016 in respect of disclosure requirements pertaining to disclosure of financial results and Statement of Assets and Liabilities for the year ended and as at March 31, 2019. Accordingly, the financial results and the Statement of Assets and Liabilities for the year ended and as March 31, 2019 is not disclosed.
- In terms of applicability of Ind AS 116, the company has availed exemption on the branch leases on the plea of short-term lease arrangements. For Head Office lease arrangements, the lease does not qualify for an enforceable contract for the lease term and thus does not have any impact of Ind AS 116.
- The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.

Place: Delhi  
Date: November 8, 2019



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

*(Signature)*  
Devesh Sachdev  
Director & CEO