



Fusion Microfinance (Pvt.) Ltd.

Letter No. : FMPL/SEC/2018-19/BSE-16

Date: May 24, 2018

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

Dear Sir,

Sub: Approval of Audited Financial Results for the Financial Year ended March 31, 2018

Please refer to our letter dated May 12, 2018, wherein we have intimated about the convening of the meeting of the Board of Directors on Thursday, May 24, 2018 to approve inter alia the Audited Financial Results for the year ended March 31, 2018.

In connection therewith and accordance with Regulation 52(1) & (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the Board in its meeting held today, May 24, 2018 (commenced at 11:30 A.M.) has approved the Audited Financial Results along with Auditor's Report for the Half Year and Financial year ended March 31, 2018.

A copy of the above Financial Results together with the Auditor's report is enclosed herewith.

Kindly take the same on your record.

Thank you.

Yours faithfully

For FUSION MICROFINANCE PRIVATE LIMITED

Deepak Madaan
Company Secretary



Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287
Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028
Statement of audited annual financial results for the year ended 31 March 2018

(Rs in lakhs)

| Particulars | For the half year ended 31 March 2018 | For the half year ended 31 March 2017 | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|--|--|-------------------------------------|-------------------------------------|
| | Unaudited | Unaudited | Audited | Audited |
| Income | | | | |
| Revenue from operations | 15,340.16 | 8,948.77 | 25,451.95 | 18,490.05 |
| Other income | 421.36 | 1,607.72 | 1,279.32 | 1,614.28 |
| Total revenue (A) | 15,761.52 | 10,556.49 | 26,731.27 | 20,104.33 |
| Expenses | | | | |
| Operating expenses | 4,210.54 | 2,958.95 | 9,449.60 | 3,494.97 |
| Employee benefits expense | 3,595.42 | 2,667.58 | 6,610.08 | 4,831.85 |
| Finance costs | 7,318.94 | 5,653.98 | 13,660.24 | 9,743.86 |
| Depreciation and amortisation | 112.39 | 82.40 | 204.07 | 160.26 |
| Other expenses | 1,237.81 | 756.83 | 2,167.77 | 1,391.85 |
| Total expenses (B) | 16,475.10 | 12,119.74 | 32,091.76 | 19,622.79 |
| (Loss)/Profit before tax (C= (A-B)) | (713.58) | (1,563.25) | (5,360.49) | 481.54 |
| Tax expenses: (D) | | | | |
| - Current tax | (69.31) | 258.91 | - | 1,042.00 |
| - Deferred tax | 330.34 | (1,010.98) | (1,419.14) | (970.19) |
| (Loss)/Profit after tax (C-D) | (974.61) | (811.18) | (3,941.35) | 409.73 |
| Earning per equity share [Nominal value per share Rs.10 (previous year: Rs.10)] | | | | |
| - Basic | -2.65* | -2.42* | (11.09) | 1.27 |
| - Diluted | -2.65* | -2.13* | (11.09) | 1.18 |
| Analytical Ratio | | | | |
| Capital adequacy ratio | 21.87% | 25.97% | 21.87% | 25.97% |
| Debt Equity Ratio | 6.23 | 4.22 | 6.23 | 4.22 |
| NPA Ratios | | | | |
| a) Gross NPA/Net NPA | 26.05 | 2.73 | 26.05 | 2.73 |
| b) % of Gross NPA | 3.98% | 0.38% | 3.98% | 0.38% |
| c) % of Net NPA | 0.16% | 0.14% | 0.16% | 0.14% |
| d) Return on assets (PAT/Average loan assets) | -0.82%* | -1.11%* | -3.81% | 0.61% |

* Not annualized

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 24 May 2018.
- The statutory auditors have carried out audit of the annual financial results of the Company for the year ended 31 March 2018.
- 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".
- Refer Annexure-1 for payment details of interest/principal on Non Convertible Debentures.
- There is no change in credit rating assigned to the Company during the year.

| Facility | Current rating | Previous rating |
|---|----------------|-----------------|
| MFI Grading | MFI 2+ | MFI 2+ |
| Long term bank facility | CARE BBB+ | CARE BBB+ |
| Non-convertible debentures (other than below) | ICRA BBB | ICRA BBB |
| Other Non-convertible debenture (of | CARE BBB+ | CARE BBB+ |

6 Previous year's/period's figures have been regrouped /reclassified, where necessary to conform current period's classification.



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

Devesh Sachdev
 Director & CEO
 DIN: 02547111

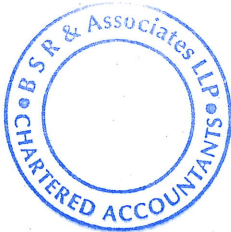
Place: New Delhi
 Date: 24 May 2018

Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287
Registered office address : H-1, Community Centre, Naraina Vihar, New Delhi-110028

Annexure - I

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

All the principal and interest due were paid on or before due dates.



for and on behalf of the Board of Directors of
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CIN: U65100DL1994PTC061287

Devesh Sachdev
Director & CEO
DIN: 02547111

Place: New Delhi
Date: 24 May 2018

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 2018

(Rs in lakhs)

| Particulars | As at | As at |
|--------------------------------|-------------------|-------------------|
| | 31 March 2018 | 31 March 2017 |
| | Audited | Audited |
| EQUITY AND LIABILITIES | | |
| Shareholder's funds | | |
| Share capital | 4,418.27 | 3,725.66 |
| Reserves and surplus | 21,351.26 | 18,527.90 |
| | 25,769.53 | 22,253.56 |
| Non-current liabilities | | |
| Long-term borrowings | 100,248.61 | 61,775.50 |
| Long-term provisions | 169.69 | 221.98 |
| | 100,418.30 | 61,997.48 |
| Current liabilities | | |
| Short term borrowings | 12,081.76 | 1,800.00 |
| Other current liabilities | 53,305.62 | 32,799.34 |
| Short-term provisions | 5,270.93 | 2,992.28 |
| | 70,658.31 | 37,591.62 |
| Total | 196,846.14 | 121,842.66 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 472.49 | 435.90 |
| Intangible assets | 23.92 | 25.50 |
| Deferred tax assets, net | 2,509.32 | 1,090.18 |
| Loan portfolio | 43,919.35 | 13,538.89 |
| Long-term loans and advances | 300.30 | 104.17 |
| Other non-current assets | 7,499.95 | 5,039.86 |
| | 54,725.33 | 20,234.50 |
| Current assets | | |
| Current investments | 50.00 | 21,051.14 |
| Trade receivables | 47.97 | - |
| Cash and bank balances | 50,583.28 | 16,651.33 |
| Loan portfolio | 88,349.58 | 61,563.08 |
| Short-term loans and advances | 1,206.00 | 459.95 |
| Other current assets | 1,883.98 | 1,882.66 |
| | 142,120.81 | 101,608.16 |
| Total | 196,846.14 | 121,842.66 |



for and on behalf of the Board of Directors of

Fusion Micro Finance Private Limited

CIN: U65100DL1994PTC061287

Devesh Sachdev

Director & CEO

DIN: 02547111

Place: New Delhi

Date: 24 May 2018

Fusion Micro Finance Private Limited
CIN: U65100DL1994PTC061287
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Statement of audited financial results for the year ended 31 March 2018

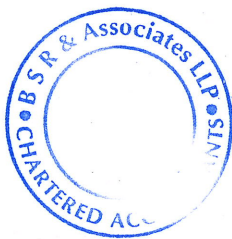
(Rs in lakhs)

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| | Audited | Audited |
| 1. Total income from operations | 25,452 | 18,490 |
| 2. Net (Loss)/Profit for the period (before tax, exceptional and/or extraordinary items) | (5,360) | 482 |
| 3. Net (Loss)/Profit for the period before tax (after exceptional and/or extraordinary items) | (5,360) | 482 |
| 4. Net (Loss)/Profit for the period after tax (after exceptional and/or extraordinary items) | (3,941) | 410 |
| 5. Paid up Equity Share Capital | 4,208 | 3,517 |
| 6. Reserves (excluding Revaluation Reserve) | 21,351 | 18,528 |
| 7. Net worth | 25,770 | 22,254 |
| 8. Outstanding Debt | 160,480 | 93,810 |
| 9. Outstanding Redeemable Preference Shares (Refer note 3) | - | - |
| 10. Debt Equity Ratio | 6.23 | 4.22 |
| 11. Earnings per share (of Rs. 10 each) | | |
| - Basic | (11.09) | 1.27 |
| - Diluted # | (11.09) | 1.18 |
| 12. Capital Redemption Reserve | - | - |
| 13. Debenture Redemption Reserve | - | - |

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

Notes to the financial results:

- The above is an extract of the detailed format of annual financial results filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the annual financial results are available on the websites of Bombay Stock Exchange (BSE) and the Company. (<http://www.fusionmicrofinance.com>).
- For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Bombay Stock Exchange and can be accessed on the URL (<http://www.fusionmicrofinance.com>).
- The Company has optionally convertible preference shares which is not covered above.



B S R & Associates LLP

Chartered Accountants

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Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

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

Independent Auditor's Report on Annual Financial Results

To
The Board of Directors of
Fusion Micro Finance Private Limited

1. We have audited the accompanying financial results of Fusion Micro Finance Private Limited ("the Company") for the year ended 31 March 2018 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the half year ended 31 March 2018 and the corresponding half year ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the half year of the relevant financial year. The figures for half year have only been reviewed and not subjected to audit.
2. These financial results have been prepared on the basis of the annual financial statements and reviewed half yearly 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 24 May 2018. Our responsibility is to express an opinion on these 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 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the Standards on auditing ('the Standards') specified under Section 143(10) of the Companies Act, 2013. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. 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.

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Fusion Micro Finance Private Limited
Independent Auditor's report on Annual Financial Results (Continued)

4. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - ii. give a true and fair view of the net losses and other financial information for the financial year ended 31 March 2018.

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



Arpan Jain
Partner
Membership No: 125710

Place: New Delhi
Date: 24 May 2018