May 16, 2024

Fusion Micro Finance Limited: Rating withdrawn for matured instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
NCD programme	180.00	180.00	[ICRA]A+ (Stable); outstanding
NCD programme	423.00	-	[ICRA]A+ (Stable); withdrawn
Subordinated debt	55.00	55.00	[ICRA]A+ (Stable); outstanding
Total	**658.00**	**235.00**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the [ICRA]A+ (Stable) rating assigned to Fusion Micro Finance Limited's Rs. 423.00-crore non-convertible debenture (NCD) programme as no amount is outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators, is available at the following link: Click here.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

Incorporated in 1994, Fusion Micro Finance Limited started microfinance operations in 2010 and became a registered non-banking financial company-microfinance institution (NBFC-MFI) in 2014. It is engaged in microfinance lending, providing financial services (and educating borrowers on financial literacy) to poor women in India, who are organised as joint liability groups (JLGs). Fusion also uses its distribution channels to provide other financial products and services to members, primarily for the purchase of productivity-enhancing products such as mobile phones, mixer grinders/bicycles, emergency loans, etc. It also has a small portfolio in the micro, small and medium enterprise (MSME) segment, accounting for 4% of the total assets under management (AUM) as on September 30, 2023.

As on September 30, 2023, Fusion had a presence in 420 districts across 22 states/Union Territories through 1,164 branches. It reported a profit after tax (PAT) of Rs. 246 crore in H1 FY2024 on gross AUM of Rs. 10,026 crore as on September 30, 2023 vis-à-vis a PAT of Rs. 387 crore in FY2023 on gross AUM of Rs. 9,296 crore as on March 31, 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years						
			Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2024 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023				Date & Rating in FY2022
					May-16-2024	Jan-12-24	Jul-19-23	Jan-27-23	Dec-09-22	Apr-26-22	Apr-7-22	Sep-21-21
1	Non-convertible debenture	Long term	116.50	93.11	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
2	Non-convertible debenture	Long term	423.00	-	[ICRA]A+ (Stable); withdrawn	[ICRA]A+ (Stable)	[ICRA]A (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
3	Non-convertible debenture	Long term	63.50	63.50	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Positive)	-	-	-	-	-
4	Subordinated debt	Long term	55.00	55.00	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	-
5	Marked linked debenture	Long term	-	-	-	-	PP-MLD [ICRA]A (Positive); withdrawn	PP-MLD [ICRA]A (Stable)	-	-	-	-
6	Non-convertible debenture	Long term	-	-	-	-	[ICRA]A (Positive); withdrawn	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)
7	Non-convertible debenture	Long term	-	-	-	-	-	-	-	-	-	[ICRA]A- (Stable); withdrawn
8	Non-convertible debenture	Long term	-	-	-	-	-	-	-	-	[ICRA]A- (Stable); withdrawn	[ICRA]A- (Stable)
9	Non-convertible debenture	Long term	-	-	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)

	Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years						
			Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2024 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023				Date & Rating in FY2022
					May-16-2024	Jan-12-24	Jul-19-23	Jan-27-23	Dec-09-22	Apr-26-22	Apr-7-22	Sep-21-21
10	Non-convertible debenture	Long term	-	-	-	-	-	[ICRA]A (Stable); withdrawn	[ICRA]A (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A- (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debentures	Simple
Subordinated debt	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument	Date of Issuance	Coupon Rate	Maturity Date	Rated Amount (Rs. crore)	Rating
INE139R07399	**NCD**	Mar-16-2018	10.70%	Mar-16-2024	63.00	[ICRA]A+ (Stable); withdrawn
INE139R07290	**NCD**	Jul-29-2020	11.50%	Jul-29-2023	20.00	[ICRA]A+ (Stable); withdrawn
INE139R08074	**NCD**	Nov-02-2020	11.53%	Nov-02-2023	75.00	[ICRA]A+ (Stable); withdrawn
INE139R07373	**NCD**	Dec-23-2020	11.25%	Dec-23-2023	50.00	[ICRA]A+ (Stable); withdrawn
INE139R07381	**NCD**	Mar-10-2021	11.15%	Mar-10-2024	70.00	[ICRA]A+ (Stable); withdrawn
INE139R07407	**NCD**	Mar-18-2021	11.00%	Mar-18-2024	50.00	[ICRA]A+ (Stable); withdrawn
INE139R08082	**NCD**	Dec-21-2021	10.50%	Dec-21-2023	45.00	[ICRA]A+ (Stable); withdrawn
INE139R08017	**NCD**	Mar-15-2017	13.85%	Mar-30-2023	50.00	[ICRA]A+ (Stable); withdrawn
INE139R08116	**NCD**	Apr-19-2022	11.04%	Dec-31-2024	35.00	[ICRA]A+ (Stable)
INE139R07431	**NCD**	May-04-2022	10.35%	May-04-2027	145.00	[ICRA]A+ (Stable)
INE139R08108	**Subordinated debt**	Mar-31-2022	13.00%	Jun-30-2027	25.00	[ICRA]A+ (Stable)
INE139R08090	**Subordinated debt**	Mar-31-2022	12.11%	Sep-30-2027	30.00	[ICRA]A+ (Stable)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Prateek Mittal
+91 33 7150 1132
prateek.mittal@icraindia.com

Arpit Agarwal
+91 124 4545 873
arpit.agarwal@icraindia.com

Jatin Arora
+91 124 4545 846
jatin.arora@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 2433 1084
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

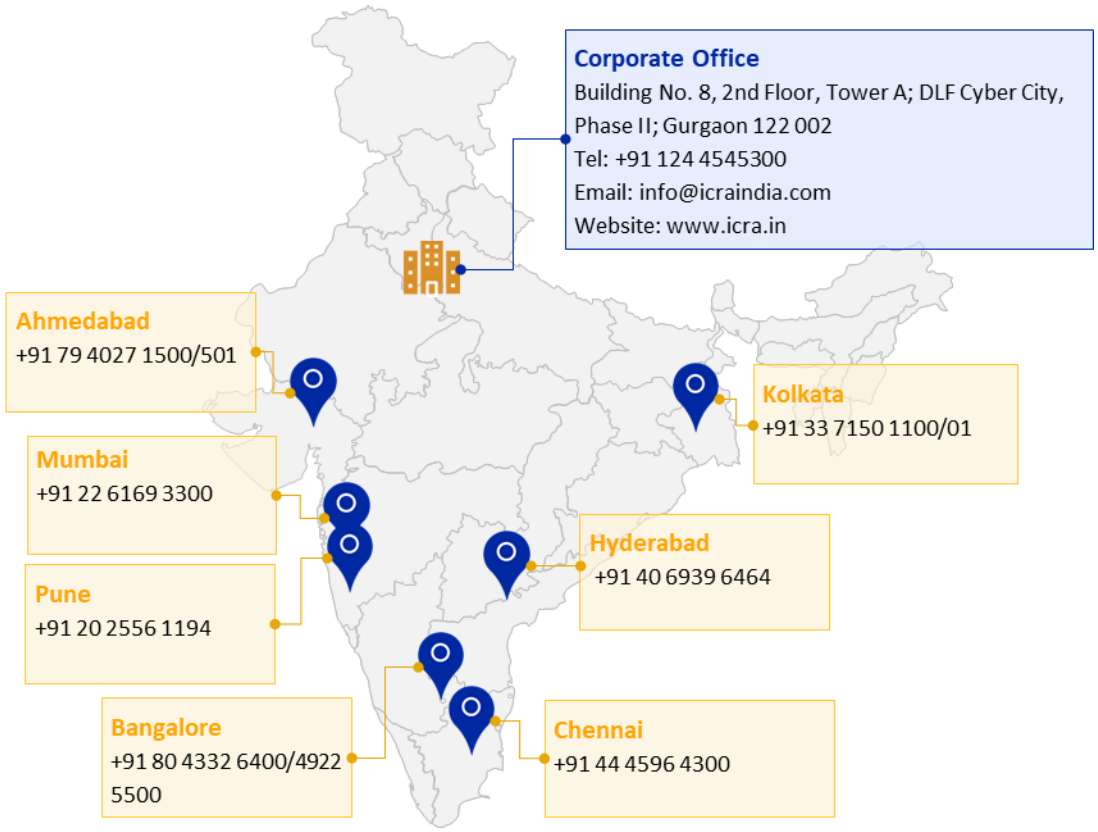
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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