

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS DURING FY 2023-24

The Company strongly believes that effective familiarisation programme helps the Independent Directors, not only to have greater insight into Company's business but also contributes effectively to decision making at Board / Committee meetings.

It is important that the Independent Directors are well versed with the business and related activities, including but not limited to the nature of industry, products, markets, policies, regulatory aspects affecting the Company, etc. This can only be achieved through a structured familiarisation plan.

All the Independent Directors of the Company are associated with the Company for more than 3 years and are well versed with the industry, business operations, policies/ practices of the Company.

Further, the Company also have a familiarisation programme for the new directors which involves apprising about operations of the Company, internal policies and practices, regulatory framework etc. The induction kit for new directors includes annual reports, memorandum and articles of association of the Company, Code of Conduct and other corporate governance policies, composition of various board committees along with their terms of reference etc. including guidance on the regulatory framework.

During the FY 2023-24, the following discussions were held in familiarization to the Independent Directors and the Board of Directors of the Company:

S. No	Subject Matter of discussion	No. of hours spent by Independent Directors and the Board	
		FY 2023-24	Cumulative till date
1	Business Strategy plan for the entire group	10	16
2	Legal/Regulatory updates		

Considering the above subject matters, the Members were informed regarding the Reserve Bank of India's circular DBR.No.BP.BC.45/21.04.048/2018-19, dated June 7, 2019. The circular describes the "Prudential Norms for Resolution of Stressed Assets," and outlines a structured approach for the early recognition, reporting, and timely resolution of stressed assets. The discussion underscored our commitment to adhering to these regulatory requirements and maintaining the highest standards of compliance and ethical conduct.

Additionally, with a view to familiarize directors with their roles and responsibilities, including compliance with relevant legal and regulatory requirements, the members were briefed on the applicability of Section 152(6) of the Companies Act, 2013, which outlines the provisions for the retirement of directors by rotation, with a purpose align the terms of re-appointment of Nominee Directors with the principle of retirement by rotation.

With a view to oversee business strategy plan of entire group, the business plan for the financial year 2023-24 was presented to the Board, outlining the projected and achieved parameters for FY23 and providing projections for FY24.

The members were informed about the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which require the CSR Committee to formulate and recommend an annual action plan to the Board.

As a part of Legal/Regulatory updates, the members were apprised with the RBI Master Direction dated June 08, 2017, with respect to the Information Technology Framework for the NBFC Sector.

The Board members were formally briefed with respect to the notification issued by the Ministry of Corporate Affairs (MCA) dated October 27, 2023, pertaining to appointment of a designated individual who will be responsible for liaising with the Registrar or any other authorized officer concerning the disclosure and cooperation related to beneficial interests in the shares of the company.

Additionally, the Board members were formally briefed on the amendments to the criteria for determining materiality for disclosures, as stipulated in the notification issued by the Securities and Exchange Board of India (SEBI) on June 14, 2023. This notification outlines the revised thresholds and guidelines that affect the determination and reporting of material information. The Board has been made aware of these changes to ensure compliance and to integrate the updated criteria into the company's disclosure practices.

Further, the Board Members were informed about the DAKSH portal launched by RBI, which offers functionalities such as inspection planning and execution, compliance submission and monitoring, complaint handling and processing, cyber incident reporting, and ad-hoc information returns and adoption of DAKSH Policy in this regard.

Regular interactions are held between statutory and internal auditors and independent directors. Further, quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are circulated to the Directors. The Directors are also informed of important developments in the Company from time to time.

On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members as and when necessary.

For Fusion Micro Finance Limited

Sd/-

Deepak Madaan

Company Secretary & Chief Compliance Officer