CIN : L65100DL1994PLC061287

Fusion Finance

Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

DISCLOSURE UNDER LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NBFC - MARCH 31, 2025

Public disclosure on liquidity risk of Fusion Finance Limited (the Company) as on March 31, 2025, in accordance with RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Public disclosure on Liquidity risk management

(i) **Funding concentration based on significant counterparty *(both deposits and borrowings)**

Number of significant counterparties	Amount In Cr.	% of Total Deposits	% of Total Liabilities
26	5,739.38	-	86.32%

(ii) **Top 20 large deposits (amount in Rs. In millions and % of total deposits)**- Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) **Top 10 borrowings (amount in crores and % of total borrowings)**

Amount In Cr.	% of Total Borrowings
3,678.63	57.46%

(iv) **Funding concentration based on significant instrument/product***

Name of Instruments/Products	Amount	% of Total liabilities
Term Loans from Banks	5,259.29	79.09%
Non-Convertible Debentures	145.00	2.18%
ECB from Foreign DFI	208.67	3.14%
Term Loans from Others (NBFCs and FIs)	735.28	11.06%

(v) **Stock Ratios**

Particulars	As a % of total public funds*	As a % of total liabilities*	As a % of total assets
Commercial papers	-	-	-
Non-Convertible Debenture (Original Maturity of less than one year)	-	-	-
Other short-term liabilities*	77.14%	74.27%	59.55%

(vi) **Institutional set-up for liquidity risk management**

The Board of Directors has the overall responsibility for establishing the risk management framework for the Company. The Board in turn has established an ALM Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risks arising in the Company on both sides of the Balance sheet. The Board based on recommendations from the ALCO has prescribed policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of Asset Liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the Board. Amongst other responsibilities, ALCO has been empowered to decide the funding mix for the company in light of the future business strategy and prevailing market conditions. ALCO committee is conducted at least once in a quarter and the ALCO minutes are reviewed by the Board from time to time.

Notes

1. *"Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC.*
2. *A "significant instrument/product" is defined as a single instrument/ product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC's.*
3. *Total Liabilities has been computed as sum of all liabilities (Balance sheet figure) less equities and reserve/surplus.*
4. *"Public Funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but exclude funds raised by issue of instruments compulsory convertible into equity shares with in a period not exceeding 10 years from the date of issue as defined in Regulatory Framework For Core Investment Companies issued vie Notification No. DNBS (PD) CC.No206/03.10.001/2010-11 dated January 5th, 2011.*
5. *Other Short-Term Liabilities represent all liabilities (excluding Commercial Paper and Non-Convertible Debenture with original Maturity of less than one year)) maturing within a year.*
6. *The amount stated in this disclosure is based on the audited financial statements for the Quarter ended March 31, 2025.*

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(vii) Disclosure on Liquidity Coverage Ratio (LCR)

In accordance with the RBI final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said Guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of high-quality liquid assets (HQLA), gross outflow and Inflow with in the 30 days period. HQLA predominantly comprises cash and Bank balance with current accounts. All significant outflows and inflows are determined in accordance with RBI guideline as per the prescribed format.

The following table sets out average LCR of the Bank for quarter ended March 31, 2025: -

	Particulars	Total Unweighted Value (average)1	Total Weighted Value (average)2
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)		421.20
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which		
	(i) *Outflows related to derivative exposures and other collateral requirements*	-	-
	(ii) *Outflows related to loss of funding on debt products*	-	-
	(iii) *Credit and liquidity facilities*	-	-
6	Other contractual funding obligations	690.84	794.46
7	Other contingent funding obligations	-	-
8	TOTAL CASH OUTFLOWS	690.84	794.46
Cash Inflows			
9	Secured lending	-	-
10	Inflows from fully performing exposures	-	-
11	Other cash inflows	786.77	590.08
12	TOTAL CASH INFLOWS	786.77	590.08
13	TOTAL HQLA		421.20
14	TOTAL NET CASH OUTFLOWS		204.38
15	LIQUIDITY COVERAGE RATIO (%)		206.09%

***Components of HQLA need to be disclosed*

Notes:

1- Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows).

2- Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on outflow (115%) and inflow (75%).

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