

## ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

### FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF FUSION FINANCE LIMITED (Formerly, Fusion Micro Finance Limited) (“COMPANY”) ONLY



This is an Abridged Letter of Offer containing salient features of the Letter of Offer, dated March 29, 2025, (“Letter of Offer”), which is available on the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, and together with BSE, the “Stock Exchanges”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

### THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the Registrar’s website at [www.in.mfpmf.mufg.com](http://www.in.mfpmf.mufg.com) and the Company’s website at [www.fusionfin.com](http://www.fusionfin.com), the Letter of Offer, this Abridged Letter of Offer, along with the Rights Entitlement Letter and the Application Form, to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Company, the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges, the Lead Manager and the Registrar, i.e., [www.fusionfin.com](http://www.fusionfin.com), [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com), [www.iiflcap.com](http://www.iiflcap.com) and [www.in.mfpmf.mufg.com](http://www.in.mfpmf.mufg.com). In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. The Application Form is also available on the respective websites of our Company, Lead Managers, Registrar and the Stock Exchanges. For details, see “Terms of the Issue - Making of an Application through the ASBA Process” on page 255 of the Letter of Offer.



## FUSION FINANCE LIMITED (Formerly, Fusion Micro Finance Limited)

**Registered Office:** H-1, C Block, Community Centre, Naraina Vihar, New Delhi, 110028, India | **Corporate Office:** Plot No. 86, Institutional Sector 32, Gurugram, Haryana 122001, India | **Tel:** +91- 011-46646600/ +91-124-6910500 | **Contact Person:** Deepak Madaan, Company Secretary and Chief Compliance Officer | **E-mail:** [investor.relations@fusionfin.com](mailto:investor.relations@fusionfin.com) | **Website:** [www.fusionfin.com](http://www.fusionfin.com) | **Corporate Identity Number:** L65100DL1994PLC061287

### PROMOTERS OF OUR COMPANY: DEVESH SACHDEV, CREATION INVESTMENTS FUSION, LLC, CREATION INVESTMENTS FUSION II, LLC, AND HONEY ROSE INVESTMENT LTD

### FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF FUSION FINANCE LIMITED (FORMERLY, FUSION MICRO FINANCE LIMITED) (THE “COMPANY” OR THE “ISSUER”) ONLY

### ISSUE DETAILS

ISSUE OF UP TO 6,10,58,392 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹131 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹121 PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING UP TO ₹ 799.86 CRORE\* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF FIFTY FIVE RIGHTS EQUITY SHARE FOR EVERY NINETY ONE FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON APRIL 4, 2025 (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 253 OF THE LETTER OF OFFER.

*\*Assuming full subscription in the Issue, Allotment and receipt of all Call Monies with respect to the Rights Equity Shares. Subject to finalisation of Basis of Allotment. For further details on Payment Schedule, see “Terms of the Issue – Payment Terms” beginning on page 274 of the Letter of Offer.*

### LISTING DETAILS

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”, and together with BSE, the “Stock Exchanges”). Our Company has received “in-principle” approvals from NSE and BSE for listing the Rights Equity Shares through their letters dated January 23, 2025, and January 2, 2025, respectively. Our Company will also make applications to NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is BSE.

### ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

**Minimum Subscription:** The object of the Issue involves augmenting the capital base of our Company.

- One of our Promoters, Honey Rose Investment Ltd has confirmed that it: (i) intends to subscribe to the full extent of its Rights Entitlements in the Issue and that it shall not renounce any of its Rights Entitlements, (ii) may subscribe to additional Rights Equity Shares (over and above its Rights Entitlements), pursuant to any Rights Entitlements being renounced in its favour; and (iii) may subscribe to such additional Rights Equity Shares, subject to the subscription to additional Rights Equity Shares by Honey Rose Investment Ltd under (ii) and (iii) above, being made to the extent that the aggregate shareholding of our Promoters and Promoter Group is compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations;
- One of our Promoters, Creation Investments Fusion LLC has confirmed that it: (i) intends to partially subscribe to its Rights Entitlements in the Issue, to at least 67.1 % of its Rights Entitlement, and (ii) reserves the right to renounce its balance Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company, and/or any third party investor;
- One of our Promoters, Creation Investments Fusion II, LLC has confirmed that it: (i) intends to partially subscribe to its Rights Entitlements in the Issue, to at least 54 % of its Rights Entitlement, and (ii) reserves the right to renounce its balance Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company and/or any third party investor; and

4. One of our Promoters, Devesh Sachdev, along with the members of his Promoter Group who are holding Equity Shares (i.e., Mini Sachdev and Devesh Sachdev Family Trust), have confirmed that they: (i) do not intend to subscribe to any of their respective Rights Entitlement in the Issue, and (ii) reserve the right to renounce their respective Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company and/or any third party investor.

The acquisition of Rights Equity Shares by our Promoters as disclosed herein above, will be eligible for exemption from open offer requirements, in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. Further, the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

If the Promoters, and members of the Promoter Group, do not subscribe fully to their portion of Rights Entitlement and renounce their Rights Entitlement outside the Promoter Group, in terms of the proviso (b) to Regulation 86(1) of the SEBI ICDR Regulations, the requirement to receive a minimum subscription of at least 90% of the Equity Shares offered in the Issue will then apply to the Issue.

#### INDICATIVE TIMETABLE

<b>Last Date For Credit Of Rights Entitlements</b>	WEDNESDAY, APRIL 09, 2025	<b>Finalisation of Basis of Allotment (on or About)</b>	WEDNESDAY, APRIL 30, 2025
<b>Issue Opening Date</b>	TUESDAY, APRIL 15, 2025	<b>Date of Allotment (on or About)</b>	FRIDAY, MAY 2, 2025
<b>Last Date for On Market Renunciation of Rights Entitlements<sup>#</sup></b>	MONDAY, APRIL 21, 2025	<b>Date of credit of Rights Equity Shares (on or About)</b>	TUESDAY, MAY 6, 2025
<b>Issue Closing Date<sup>*</sup></b>	FRIDAY, APRIL 25, 2025	<b>Date of Listing (on or About)</b>	FRIDAY, MAY 9, 2025

*Note: The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.*

<sup>#</sup> *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

<sup>\*</sup> *Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

#### NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see “Restrictions on Purchases and Resales” beginning on page 280 of the Letter of Offer.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges.

The credit of Rights Entitlements does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of this Letter of Offer, Application Form or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction, they must not seek to subscribe to the Rights Equity Shares. For more details, see “Restrictions on Purchases and Resales” beginning on page 280 of the Letter of Offer.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and Stock Exchanges. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Application Form or any other Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India, except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States (other than persons in the United States who are both U.S. QIBs and U.S. Qualified Purchasers) and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its respective affiliates to make any filing or registration (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the "Restrictions on Purchases and Resales" section beginning on page 280 of the Letter of Offer.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than persons in the United States who are both U.S. QIBs and U.S. Qualified Purchasers) or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that such person submitting the Application Form is outside the United States (other than persons in the United States who are both U.S. QIBs and U.S. Qualified Purchasers) and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares in terms of this Letter of Offer, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

#### Notice to Investors in the United States and U.S. Persons

The Rights Entitlement and Rights Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company is an "investment company" (as defined in the U.S. Investment Company Act of 1940) and has not been and will not be registered under the U.S. Investment Company Act. Accordingly, the Rights Equity Shares are being offered and sold only (i) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to herein as "U.S. QIBs") and (ii) "qualified purchasers" (as defined in Section 2(a)(51) of the U.S. Investment Company Act and referred to herein as "U.S. Qualified Purchasers") pursuant to Section 4(a)(2) of the U.S. Securities Act and Section 3(c)(7) of the U.S. Investment Company Act and (b) to persons outside the United States who are non-U.S. Persons in reliance on Regulation S.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the section "Risk Factors" beginning on page 22 of the Letter of Offer and "Internal Risk Factors" on page 6 of this Abridged Letter of Offer before making an investment in the Issue.

<b>Name of the Lead Manager and contact details</b>	<b>IIFL Capital Services Limited (Formerly known as IIFL Securities Limited)</b> 24 <sup>th</sup> Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India <b>Tel:</b> +91 22 4646 4728 <b>E-mail:</b> fusion.rights@iiflcap.com <b>Website:</b> www.iiflcap.com <b>Investor grievance ID:</b> ig_ib@iiflcap.com <b>Contact person:</b> Nishita Mody / Dhruv Bhagwat <b>SEBI Registration No.:</b> INM000010940
<b>Name of the Registrar to the Issue and contact details</b>	<b>MUFG Intime India Private Limited (formerly Link Intime India Private Limited)</b> C-101, 1 <sup>st</sup> Floor, 247 Park, LBS Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India <b>Tel:</b> +91 81081 14949 <b>E-mail:</b> fusionfinance.rights@linkintime.co.in <b>Website:</b> www.in.mpms.mufg.com <b>Investor grievance ID:</b> fusionfinance.rights@linkintime.co.in <b>Contact person:</b> Shanti Gopalkrishnan <b>SEBI Registration No.:</b> INR000004058
<b>Name of the Statutory Auditors</b>	M/s Deloitte Haskins & Sells

<b>Self-Certified Syndicate Banks (“SCSBs”)</b>	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.
<b>Banker to the Issue</b>	<b>Axis Bank Limited</b> Axis House, 6 <sup>th</sup> Floor, C –2, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai –400 025 Maharashtra, India <b>Tel:</b> +91 22 2425 3672 <b>E-mail:</b> <a href="mailto:vishal.lade@axisbank.com">vishal.lade@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>Contact Person:</b> Vishal M. Lade <b>SEBI Registration No.:</b> INBI00000017

### PRIMARY BUSINESS OF OUR COMPANY

We are a non-banking finance company (“NBFC”) - microfinance institution (“MFI”) offering microfinance loans to low-income women. We founded our Company with the core idea of creating opportunities at the bottom of the pyramid, and we provide financial services to unserved and underserved women in rural and urban/semi-urban areas across India, with a focus on women in rural areas with an annual household income of up to ₹300,000. As of December 31, 2024, our share of asset under management (“AUM”) from customers in rural areas represented 88% of our total AUM.

For further details, please see “Our Business - Overview” on page 89 of the Letter of Offer.

### SUMMARY OF OBJECTS OF THE ISSUE

The details of the Issue Proceeds are summarized in the table below:

(in ₹ crore)

Particulars	Estimated amount
Gross proceeds from the Issue*	799.86
Less: Estimated Issue related expenses**	16.52
Net Proceeds**	783.34

\* Assuming full subscription in the Issue, Allotment and receipt of all Call Monies with respect to the Rights Equity Shares. Subject to finalisation of Basis of Allotment.

\*\* See “- Estimated Issue Related Expenses” on page 76 of the Letter of Offer.

### Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ crore)

Particulars	Estimated amount* (up to)
Augmenting our capital base	783.34
<b>Net Proceeds</b>	<b>783.34</b>

\* Assuming full subscription in the Issue, Allotment and receipt of all Call Monies with respect to the Rights Equity Shares. Subject to finalisation of Basis of Allotment. All estimated Issue related expenses provided will be paid out of the Gross Proceeds received at the time of receipt of the Application Money. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards subsequent call money to be received.

### MEANS OF FINANCE

The funding requirements and deployment schedule are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. See “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control” on page 57 of the Letter of Offer. They are based on current circumstances of our business. The Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of the management and may also be subject to the timing of making Calls in the future, as determined by our Board, at its sole discretion, in accordance with the applicable laws. Our Board, pursuant to resolution, may determine the date on which the Calls shall be made and if no such date is determined then the Calls shall be deemed to have been made at the time when the resolution authorising such Calls are passed at the meeting of our Board, as the case may be. The Calls may be revoked or postponed at the discretion of our Board. In accordance with our Articles of Association, our Board may make one or more subsequent Call(s), with terms and conditions such as the number of Calls and the timing and quantum of each Call as may be decided by our Board from time to time, to be completed on or prior to March 31, 2027 or such other extended timelines.

The Company proposes to meet the entire funding requirements for the proposed Object of the Issue from the Net Proceeds and identifiable internal accruals, if required. Therefore, the Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue. For further details, see “Objects of the Issue” on page 74 of the Letter of Offer.

### MONITORING AGENCY

Our Company has appointed CRISIL Ratings Limited to monitor the utilization of the Gross Proceeds in accordance with Regulation 82 of the SEBI ICDR Regulations.



## EQUITY SHAREHOLDING PATTERN

- a) The shareholding pattern of our Company as on December 31, 2024, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/fusion-finance-ltd/fusion/543652/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=FUSION>;
- b) The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2024, can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543652&qtrid=124.00&QtrName=December%202024> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=FUSION>. Post December 31, 2024, our Promoter namely, Devesh Sachdev has further pledged 3,50,000 Equity Shares and 2,60,000 Equity Shares of face value of ₹10 each, respectively, in relation to a loan availed by him, on March 4, 2025 and March 18, 2025, respectively. As on the date of this Letter of Offer, Devesh Sachdev has pledged a total of 35,12,414 Equity Shares of face value of ₹10 each of the Company; and
- c) The statement showing holding of Equity Shares of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as December 31, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543652&qtrid=124.00&QtrName=December%202024> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=FUSION>.

For more details, please refer to the section titled “Capital Structure” beginning on page 70 of the Letter of Offer.

BOARD OF DIRECTORS			
S. No.	Name	Designation	Other Directorships
1.	Devesh Sachdev	Managing Director	<i>Indian Companies</i> Aagaz Development Foundation <i>Foreign companies</i> : Nil
2.	Ratna Dharashree Vishwanathan	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>Dilip Buildcon Limited</li> <li>Moneyboxx Finance Limited</li> <li>Reach to Teach Private Limited</li> <li>Reach to Teach Foundation</li> <li>Suryoday Foundation</li> <li>Sir Shadi Lal Enterprises</li> </ul> <i>Foreign companies</i> : Nil
3.	Namrata Kaul	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>Havells India Limited</li> <li>Schneider Electric Infrastructure Limited</li> <li>Synergetics Management and Engineering Consultants Private Limited</li> <li>Vivriti Capital Limited</li> <li>Vivriti Asset Management Private Limited</li> <li>Azko Nobel India Limited</li> </ul> <i>Foreign companies</i> : Nil
4.	Narendra Ostawal	Nominee Director*	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>Avanse Financial Services Limited</li> <li>Home First Finance Company India Limited</li> <li>IndiaFirst Life Insurance Company Limited</li> <li>Warburg Pincus India Private Limited</li> <li>Vistaar Financial Services Private Limited</li> <li>Micro Life Sciences Private Limited</li> </ul> <i>Foreign companies</i> : Nil
5.	Kenneth Dan Vander Weele	Nominee Director**	<i>Indian Companies</i> : Nil <i>Foreign Companies</i> <ul style="list-style-type: none"> <li>Creation Investments Social Ventures Fund I (USA)</li> <li>Creation Investments Social Ventures Fund II, LP (USA)</li> <li>Creation Investments Social Ventures Fund III, LP (USA)</li> <li>Creation Investments Social Ventures Fund IV, LP (USA)</li> <li>NOA Holdings NV-Holland</li> </ul>
6.	Puneet Gupta	Independent Director	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>Kentrus Investment Advisors Private Limited</li> <li>Meta Materials Circular Markets Private Limited</li> <li>UTI Pension Fund Ltd.</li> <li>NCDEX E Markets Limited</li> </ul> <i>Foreign Companies</i> : Nil

\* Nominee Director of our Promoter, Honey Rose.

\*\* Nominee of our Promoter, Creation Investments Fusion, LLC, Creation Investments Fusion II, LLC.

For more details, see the chapter titled “Our Management” on page 112 of the Letter of Offer.

Neither our Company nor any of our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

## FINANCIAL INFORMATION

### Summary of Financial Information/ Ratios

A summary of the financial information of our Company as at and for the nine month period ended December 31, 2024, and December 31, 2023 and Financial Year ended March 31, 2024 and March 31, 2023 is set out below.

Particulars	As of and for the Nine months Ended December 31,		As of and for the Financial Year Ended March 31,	
	2024	2023 <sup>(1)</sup>	2024	2023
	<i>(₹ in crore, except otherwise indicated)</i>			
Pre-provision operating profit before tax	646.36	737.44	1,028.12	712.35
Profit/(loss) for the period/year	(1,059.98)	372.60	505.29	387.15
Total comprehensive income for the period/year	(1,058.10)	373.57	506.52	387.46
Total assets	9,386.59	-	11,774.32	9,363.54
Gross AUM	10,599.37	10,693.42	11,476.08	9,296.22
Average gross AUM	11,037.72	9,994.82	10,386.15	8,041.09
Gross AUM growth	(0.88%)	23.57%	23.45%	36.99%
Net worth	1,806.46	-	2,848.15	2,321.92
Average net worth	2,327.31	-	2,585.04	1,829.94
Total borrowings	7,310.81	-	8,615.90	6,778.40
Average borrowings	7,963.36	-	7,697.15	6,277.10
Return on average gross AUM	(12.80%)	4.97%	4.87%	4.81%
Return on average net worth	(60.73%)	-	19.55%	21.16%
Average borrowings to Average net worth (times)	3.42	-	2.98	3.43
Capital risk adequacy ratio ("CRAR")	22.20%	-	27.53%	27.94%
Debt to equity ratio (times)	4.05	-	3.03	2.92
Basic EPS – par value of ₹10 each (₹)*	(105.32)	37.10	50.30	43.29
Diluted EPS – par value of ₹10 each (₹)*	(105.32)	36.88	50.11	43.13
Net asset value per Equity Share (₹)	179.47	-	283.06	231.39
Gross disbursements	5,815.24	7,341.29	10,294.35	8,596.11
Average cost of funds (%)	10.21%	10.53%	10.42%	10.30%
Tier I capital	20.70%	26.96%	26.60%	26.59%
Tier II Capital	1.50%	0.94%	0.93%	1.35%
Total on-book portfolio	9,472.12	9,667.74	10,302.41	8,354.22
Number of branches (total, not in crore)	1,506	1,242	1,297	1,086
Number of employees (total, not in crore)	15,455	12,816	13,807	10,363
Number of active borrowers (total, in crore)	0.37	0.38	0.39	0.35

\* Not Annualized.

<sup>1</sup> Balance sheet as of December 31, 2023 was not included within the Unaudited Interim Financial Statements. Accordingly, balance sheet line items as of December 31, 2023 have been omitted.

For more details, see the chapter titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" on page 215 of the Letter of Offer.

## INTERNAL RISK FACTORS

The below mentioned are top 5 risk factors as per the Letter of Offer:

1. Our management has determined that we are in breach of financial covenants with respect to borrowings amounting to ₹5,288 crore in principal amount, resulting in these borrowings becoming repayable on demand as at December 31, 2024. Our Statutory Auditors have mentioned that this may cast significant doubt on our ability to continue as a going concern. Our ability to continue as a going concern is thereby dependent on obtaining waivers from the affected lenders and securing sufficient funds through other sources such as the completion of this Issue.
2. We have incurred losses in the nine months ended December 31, 2024 due to increases in our provisioning to cater for increases in our NPAs, which led to increases in impairment of financial instruments by 556.72% to ₹1,614.81 crore for the nine months ended December 31, 2024 from ₹245.89 crore for the nine months ended December 31, 2023. We cannot assure you that we will effectively address these issues, or that we will not face similar challenges again in the future.
3. Our breach of certain financial covenants with respect to borrowings amounting to ₹5,288 crore in principal amount as of December 31, 2024, may lead to the trigger of cross-default under the financing agreements with respect to our other borrowings availed from other lenders.
4. We have experienced negative cash flows in the past. We cannot assure you that our net cash flows will be positive in the future.
5. The audit and review reports of our Statutory Auditor on our Financial Statements makes references to certain qualifications and observations. If such comments are included in the reports of our Statutory Auditor in the future, the trading price of our Equity Shares may be adversely affected.

For further details, see the section "Risk Factors" on page 22 of the Letter of Offer.

## SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

A summary of outstanding legal proceedings involving our Company as on the date of this Letter of Offer is set forth in the table below:

Name of entity	Proceedings involving issues of moral turpitude or criminal liability	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in crore)*
<b>Company</b>							
By our Company	2,615	Nil	Nil	Nil	Nil	Nil	68.42
Against our Company	Nil	Nil	1	Nil	Nil	Nil	16.62

\* To the extent quantifiable

For further details, see “Outstanding Litigation and Defaults” beginning on page 241 of the Letter of Offer.

## TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

### Payment Terms

₹131 per Rights Equity Share (including premium of ₹121 per Rights Equity Share) shall be payable as follows:

Due Date	Face Value (₹)	Premium (₹)	Total (₹)
On Application	5.00	60.50	65.50
One or more subsequent Call(s), with terms and conditions such as the number of Calls and the timing and quantum of each Call as may be decided by our Board/ Rights Issue Committee from time to time, to be completed on or prior to March 31, 2027, or such other extended timelines.	5.00	60.50	65.50
<b>Total (₹)</b>	<b>10.00</b>	<b>121.00</b>	<b>131.00</b>

Rights Equity Shares in respect of which the Calls payable remains unpaid may be forfeited, after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the (i) demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “MIPL FUSION FINANCE RIGHTS ESCROW DEMAT ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings or where legal notices have been issued, if any; or (f) non-institutional equity shareholders in the United States.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- Grounds for Technical Rejection” on page 261 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 257 of the Letter of Offer.

### **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall visit [https://web.in.mpms.mufg.com/RIssue/RIssue\\_Register.aspx?ReqType=dpi](https://web.in.mpms.mufg.com/RIssue/RIssue_Register.aspx?ReqType=dpi) to upload their self-attested client master sheet of their demat account and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and
- (c) The remaining procedure for Application shall be same as set out in the section entitled “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 257 of the Letter of Offer.

### ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34).

### ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Fusion Finance Limited (*Formerly known as Fusion Micro Finance Limited*);
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total Application amount paid at the rate of ₹ 65.50 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and



16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “Restrictions on Purchases and Resales – Eligible Investors” on page 281 of the Letter of Offer, and shall include the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (a) to persons in the United States and to U.S. Persons (as defined in Regulation S (“Regulation S”) and such persons (“U.S. Persons”) under the U.S. Securities Act) who are reasonably believed to be (i) “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to herein as “U.S. QIBs”) and (ii) “qualified purchasers” (as defined in Section 2(a)(51) of the U.S. Investment Company Act and referred to herein as “U.S. Qualified Purchasers”) pursuant to Section 4(a)(2) of the U.S. Securities Act and Section 3(c)(7) of the U.S. Investment Company Act and (b) to persons outside the United States who are non-U.S. Persons in reliance on Regulation S. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States or U.S. Persons who are both U.S. QIBs and U.S. Qualified Persons. I/ we confirm that I am/ we are (a) (i) U.S. QIB and a Qualified Purchaser; or (ii) not in the United States and not a U.S. Person and in any case eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or a U.S. Person (other than a U.S. Person who is both a U.S. QIB and a U.S. Qualified Purchaser) or is outside of India and the United States and is ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of this Letter of Offer titled “Restrictions on Purchases and Resales” on page 280 of the Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.*

*I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com).

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

**Rights Entitlement Ratio :** 55 (fifty five) Rights Equity Share for every 91 (ninety one) Equity Shares of face value of ₹10 each held on the Record Date.

#### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 55 (fifty five) Equity Share for every 91 (ninety one) Equity Shares of face value of ₹10 each held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 (two) Equity Shares of face value of ₹10 each or not in the multiple of 91, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlement applied for.

Further, the Eligible Equity Shareholders holding less than 2 (two) Equity Shares of face value of ₹10 each as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

#### **Credit of Rights Entitlements in dematerialised account:**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.fusionfin.com](http://www.fusionfin.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE139R20012. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [https://web.in.mpms.mufg.com/RIssue/RIssue\\_Register.aspx?ReqType=dpid](https://web.in.mpms.mufg.com/RIssue/RIssue_Register.aspx?ReqType=dpid)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the (i) demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “MIPL FUSION FINANCE RIGHTS ESCROW DEMAT ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings or where legal notices have been issued, if any; or (f) non-institutional equity shareholders in the United States.

#### ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

#### ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

#### ***(a) On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE139R20012 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from April 15, 2025 to April 21, 2025 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE139R20012 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### ***(b) Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE139R20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

### **Application for Additional Rights Equity Shares**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “- *Basis of Allotment*” on page 272 of the Letter of Offer.

### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.**

### **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM:**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 273 OF THE LETTER OF OFFER.**

**Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their rights entitlement :**

- (1) One of our Promoters, Honey Rose Investment Ltd has confirmed that it: (i) intends to subscribe to the full extent of its Rights Entitlements in the Issue and that it shall not renounce any of its Rights Entitlements, (ii) may subscribe to additional Rights Equity Shares (over and above its Rights Entitlements), pursuant to any Rights Entitlements being renounced in its favour; and (iii) may subscribe to such additional Rights Equity Shares, subject to the subscription to additional Rights Equity Shares by Honey Rose Investment Ltd under (ii) and (iii) above, being made to the extent that the aggregate shareholding of our Promoters and Promoter Group is compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations;
- (2) One of our Promoters, Creation Investments Fusion LLC has confirmed that it: (i) intends to partially subscribe to its Rights Entitlements in the Issue, to at least 67.1 % of its Rights Entitlement, and (ii) reserves the right to renounce its balance Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company, and/ or any third party investor;
- (3) One of our Promoters, Creation Investments Fusion II, LLC has confirmed that it: (i) intends to partially subscribe to its Rights Entitlements in the Issue, to at least 54 % of its Rights Entitlement, and (ii) reserves the right to renounce its balance Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company and/ or any third party investor; and
- (4) One of our Promoters, Devesh Sachdev, along with the members of his Promoter Group who are holding Equity Shares (i.e., Mini Sachdev and Devesh Sachdev Family Trust), have confirmed that they: (i) do not intend to subscribe to any of their respective Rights Entitlement in the Issue, and (ii) reserve the right to renounce their respective Rights Entitlements to other Promoters, member(s) of the Promoter Group, public shareholders of the Company and/ or any third party investor.

The acquisition of Rights Equity Shares by our Promoters as disclosed herein above, will be eligible for exemption from open offer requirements, in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. Further, the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

If the Promoters, and members of the Promoter Group, do not subscribe fully to their portion of Rights Entitlement and renounce their Rights Entitlement outside the Promoter Group, in terms of the proviso (b) to Regulation 86(1) of the SEBI ICDR Regulations, the requirement to receive a minimum subscription of at least 90% of the Equity Shares offered in the Issue will then apply to the Issue.

**Availability of offer document of the immediately preceding public issue or rights issue for inspection :**

A copy of the red herring prospectus of our Company dated October 25, 2022, filed with the RoC in relation to the initial public offering of Equity Shares of our Company is available as a material document for inspection at the Registered Office of the Company between 10 a.m. and 5 p.m. on all working days and will also be available on the website of the Company from the date of this Letter of Offer until the Issue Closing Date.

**I. IMPORTANT**

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, Abridged Letter of Offer, Application Form or Rights Entitlement Letter must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Fusion Finance Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

**MUFG Intime India Private Limited (formerly Link Intime India Private Limited)**  
C-101, 1<sup>st</sup> Floor, 247 Park LBS Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India  
**Tel:** +91 81081 14949; **E-mail:** fusionfinance.rights@linkintime.co.in  
**Investor grievance ID:** fusionfinance.rights@linkintime.co.in ; **Contact person:** Shanti Gopalkrishnan  
**Website:** www.in.mpms.mufg.com; **SEBI Registration No.:** INR000004058

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

**Any other important information as per Lead Managers and the Issuer:** NIL

**DECLARATION BY OUR COMPANY**

I hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in the Letter of Offer are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

sd/-  
**Devesh Sachdev**  
*Managing Director*

**Date: March 29, 2025**  
**Place: Gurugram**

sd/-  
**Namrata Kaul**  
*Independent Director*

**Date: March 29, 2025**  
**Place: Gurugram**

sd/-  
**Kenneth Dan Vander Weele**  
*Nominee Director*

**Date: March 29, 2025**  
**Place: Morocco**

sd/-  
**Ratna Dharashree Vishwanathan**  
*Independent Director*

**Date: March 29, 2025**  
**Place: Gurugram**

sd/-  
**Narendra Ostawal**  
*Nominee Director*

**Date: March 29, 2025**  
**Place: Mumbai**

sd/-  
**Puneet Gupta**  
*Independent Director*  
**Date: March 29, 2025**  
**Place: Delhi**

**SIGNED BY OUR CHIEF FINANCIAL OFFICER**

sd/-  
**Gaurav Maheshwari**  
*Chief Financial Officer*

**Date: March 29, 2025**  
**Place: Gurugram**