



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 | Website: www.fusionfin.com | Corporate Identity Number: L65100DL1994PLC061287

RIGHTS ENTITLEMENT LETTER

Date:

Dear Shareholder,

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.

You have been sent this letter and the Abridged Letter of Offer and the Application Form enclosed herewith to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), and the relevant circulars issued by SEBI from time to time. This letter and the enclosures are solely intended for distribution to, and use by, Eligible Equity Shareholders as of the Record Date i.e. April 4, 2025 who have provided an Indian address to our Company or who are located in jurisdictions where the issue of the Rights Entitlement and the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. This letter does not constitute an offer of, or a solicitation of an offer to purchase, the Rights Equity Shares in any jurisdiction where offers or solicitations are not permitted by law. For more details, see "Restrictions on Foreign Ownership of Indian Securities" beginning on page 279 of the Letter of Offer. If you are not permitted to subscribe to Rights Equity Shares or are in any doubt as to whether you are permitted to subscribe to Rights Equity Shares, please treat this letter and the enclosures as being sent to you for information purposes only and you may not apply to subscribe to the Rights Equity Shares. This letter and its enclosures, including any copies thereof, should not be reproduced, transmitted or distributed to any other person.

With reference to above, please find below the details of Equity Shares held by you as on the Record Date, i.e., April 4, 2025, along with your Rights Entitlements:

Folio Number / DP or Client ID	No. of Equity Shares held by you on Record Date, i.e., April 4, 2025	No. of Rights Entitlement

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.in.mfpmf.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding 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).

This is to inform you that the captioned Issue opens for subscription on April 15, 2025 and closes for subscription on April 25, 2025. 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.

Process of Making an Application in 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. For details see "Terms of the Issue - Process of making an Application in the Issue - Making of an Application through the ASBA Process" beginning on page 254 of the Letter of Offer.

Credit of Rights Entitlements in Demat Accounts of Eligible Equity Shareholders

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.

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.

With respect to the Rights Entitlements credited to the demat suspense account, Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Friday, April 25, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the demat suspense account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner. For details of credit of the Rights Entitlements, please see section titled "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page 265 of the Letter of Offer.

Notice to Holders of Equity Shares in Physical Form

Please note that, 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.

Please note that 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 not later than two clear Working Days prior to the Issue Closing Date, i.e., April 25, 2025, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., April 25, 2025. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such Shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.in.mfpmf.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.in.mfpmf.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

Access to Issue Materials

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

- our Company at www.fusionfin.com;
- the Registrar at www.in.mfpmf.com;
- the Lead Manager, at www.iiflcap.com
- the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Trading of the Rights Entitlements

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.

For more details, see "Terms of the Issue - Renunciation and Trading of Rights Entitlement - Procedure for Renunciation of Rights Entitlements" on page 266 of the Letter of Offer.

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. For more details, see "Terms of the Issue - Renunciation and Trading of Rights Entitlement - Procedure for Renunciation of Rights Entitlements" on page 266 of the Letter of Offer.

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.

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. For more details, see "Terms of the Issue - Fractional Entitlements" on page 269 of the Letter of Offer.

Issue Schedule

Last date for credit of Rights Entitlements	WEDNESDAY, APRIL 9, 2025	Finalisation of Basis of Allotment (on or about)	WEDNESDAY, APRIL 30, 2025
Issue Opening Date	TUESDAY, APRIL 15, 2025	Date of Allotment (on or about)	FRIDAY, MAY 2, 2025
Last date for On Market Renunciation of Rights Entitlements *	MONDAY, APRIL 21, 2025	Date of credit of Rights Equity Shares (on or about)	TUESDAY, MAY 6, 2025
Issue Closing Date *	FRIDAY, APRIL 25, 2025	Date of listing (on or about)	FRIDAY, MAY 9, 2025

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

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.

* 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.

Please note that 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 valid and correct demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., April 25, 2025, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., April 25, 2025. 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/KYC-downloads.html>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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.

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.

Neither the receipt of the Letter of Offer nor any sale of Rights Equity Shares hereunder, 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 the Letter of Offer or the date of such information. The contents of the 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 and 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 and Rights Entitlements.

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.

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 the Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

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.

The Rights Entitlements and the Rights Equity Shares are transferable only in accordance with the restrictions described in "Restrictions on Foreign Ownership of Indian Securities" beginning on page 279 of the Letter of Offer. For more details, see "Notice to Investors" on page 12 of the Letter of Offer.

In case of any queries, you may contact the Company, Lead Manager to the Issue or the Registrar to the Issue.

COMPANY	LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
		
FUSION FINANCE LIMITED <i>(Formerly, Fusion Micro Finance Limited)</i> 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 Website: www.fusionfin.com Corporate Identity Number: L65100DL1994PLC061287	IIFL Capital Services Limited <i>(Formerly known as IIFL Securities Limited)</i> 24 th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India Tel: +91 22 4646 4728 E-mail: fusion.rights@iiflcap.com Website: www.iiflcap.com Investor grievance ID: ig.ib@iiflcap.com Contact person: Nishita Mody / Dhruv Bhagwat SEBI Registration No.: INM000010940	MUG Intime India Private Limited <i>(formerly Link Intime India Private Limited)</i> C-101, 1 st Floor, 247 Park LBS Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India Tel: +91 81081 14949 E-mail: fusionfinance.rights@linkintime.co.in Website: www.in.mpms.mufg.com Investor grievance ID: fusionfinance.rights@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.

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

Sd/-

Deepak Madaan
 (Company Secretary and Chief Compliance Officer)