

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS FOR FY 2024–25

The Company recognises that a robust familiarisation programme is essential to enable Independent Directors to understand the business operations, regulatory environment, industry landscape, and the strategic priorities of the Company. Such a programme not only deepens the directors' understanding of the Company's affairs but also enhances their effectiveness in contributing to informed and balanced decision-making at Board and Committee meetings.

A. Overview of Familiarisation Activities Conducted in FY 2024–25

All Independent Directors, except Mr. Puneet Gupta, have been associated with the Company for over five years and are well-versed with the Company's industry and operations. Mr. Puneet Gupta was appointed as a Non-Executive Independent Director effective October 5, 2024. During the financial year 2024–25, the following sessions and interactions were held as part of the ongoing familiarisation process:

S. No	Subject Matter of discussion	No. of hours spent by respective Independent Director	
		FY 2024-25	Cumulative till date
1	Business Strategy plan for the entire group	10 Hours	26 Hours
2	Legal/Regulatory updates		
3	General Updates		
4	Familiarisation Programme for Mr. Puneet Gupta, newly appointed Independent Director.	6 Hours	6 Hours

B. Key Familiarisation Highlights for FY 2024–25:

- Business Strategy and Financial Overview:** A detailed presentation on the business plan for FY 2024–25 was made to the Board. The plan covered achievements for FY 2023–24, projections for FY 2024–25.
- Regulatory Developments:** The Directors were briefed on the Reserve Bank of India (RBI) circular dated July 3, 2024, on "Major Frauds reported by Supervised Entities – Modus Operandi and Root Cause Analysis," emphasizing the need for periodic Root Cause Analysis (RCA) to mitigate vulnerabilities. Additionally, updates were shared on the RBI Master Directions on Fraud Risk Management circular dated July 15, 2024, mandating constitution of a Special Committee of the Board for Monitoring and Follow-up of Cases of Fraud (SCBMF) for Non-Banking Financial Companies (NBFCs).
- Fundraising Strategy:** The members were apprised of the Company's ongoing evaluation of a Rights Issue of ₹800 crore, considering the prevailing sector-wide stress in the microfinance industry. The Complete roadmap including regulatory process and timelines were presented to the board. The same was successfully completed and corresponding equity shares were listed on the stock exchange as on May 12, 2025.
- Implementation of Compliance Tool:** The members were updated that the Company has implemented the "Manucomply" tool (developed by Manupatra Information Solutions Pvt. Ltd.) to strengthen compliance monitoring.
- Other Regulatory Updates:** The members were apprised of recent amendments to the SEBI Listing Regulations released in December 2024. To enhance ease of compliance, SEBI has introduced Integrated Filing (Financial) and Integrated Filing (Governance) mechanisms. Additionally, members were updated on alerts and advisories issued via the DAKSH portal by the RBI concerning data breach incidents and

the need to strengthen surveillance and monitoring systems. The Board was also briefed on key regulatory developments, including the Digital Personal Data Protection (DPDP) Act, 2023, which mandates stronger personal data governance, and the Early Warning System (EWS) framework introduced by the RBI to enhance credit risk monitoring and timely escalation protocols.

A detailed background and regulatory applicability of Business Responsibility and Sustainability Report (BRSR) was presented to the board. The members were further informed that the Company has been filing the BRSR since the Financial Year 2022-23 and the Company will be required to undertake assurance for BRSR Core Key Performance Indicators (KPIs) in accordance with SEBI circular dated March 28, 2025, starting from the Financial Year 2026-27, if applicable.

C. Induction of Mr. Puneet Gupta – Independent Director

Mr. Puneet Gupta was appointed as a Non-Executive Independent Director effective October 5, 2024. A structured induction session was conducted on November 6, 2024, from 11:00 A.M. till 05:00 P.M. covering:

- Overview of the NBFC-MFI and MSME sector and evolving industry trends,
- The Company's business model, revenue streams, liability management, and risk landscape,
- Fusion's governance framework and Board structure,
- CSR initiatives and their on-ground impact,
- Summary of business verticals and key financial highlights,
- Introduction to the compliance and audit structure, with emphasis on regulatory reporting obligations.

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

For Fusion Finance Limited

(Formerly known as Fusion Micro Finance Limited)

Sd/-

Deepak Madaan

Company Secretary & Chief Compliance Officer