

No. _____
Addressed to: _____

INFORMATION MEMORANDUM

Fusion Microfinance Private Limited

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: September 05, 1994

Registered Office: 111, Block C, Community Centre, Naraina Vihar, Near Gurudwara,
New Delhi, 110028

Telephone No.: +91 - 011 46646600

Website: <http://www.fusionmicrofinance.com/>

Information Memorandum for issue of Debentures on a private placement basis

Dated: July 31, 2018

Issue of 680 (Six Hundred and Eighty) Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs.68,00,00,000/- (Rupees Sixty Eight Crores only) on a private placement basis (the "Issue").

Background

This Information Memorandum is related to the Debentures to be issued by Fusion Microfinance Private Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 26, 2018 respectively and the Board of Directors of the Issuer on May 24, 2018 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated June 26, 2018 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit for amounts up to INR 3500,00,00,000/- (Rupees Three Thousand and Five Hundred Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited ("Rating Agency" / "ICRA"). The Rating Agency has vide its letter dated July 27, 2018 assigned a rating of "ICRA BBB" (pronounced as "ICRA Triple B") with 'stable' outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter(s) dated July 27, 2018 from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opens on: July 31, 2018

Issue Closing on: August 7, 2018

Deemed Date of Allotment: August 7, 2018

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.



The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange ("BSE").

Debenture Trustee	Registrar and Transfer Agent
<p>Catalyst Trusteeship Limited 83-87, 8th Floor, B wing, Mittal Tower, Nariman Point, Mumbai, Maharashtra -400021 Tel.: +91-22-49220503 Fax: +91-22-49220505 Email: umesh.salvi@cttrustee.com Contact Person: Mr. Umesh Salvi</p>	<p>Registrar & Transfer Agent Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Contact Person: Mr Ganesh Jadhav Tel: +91-22-25946970 Fax: +91-22-25946969 Email: ganesh.jadhav@linkintime.com Website: http://www.linkintime.co.in</p>



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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Information Memorandum and marked as Annexure IV .
Board / Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays, and any day which is a public holiday) on which banks are normally open for business in Mumbai, India and New York, United States of America and " Business Days " shall be construed accordingly.
CDSL	Central Depository Services (India) Limited.
Client Loan	Shall mean each loan made by the Company as a lender.
Company/Issuer	Fusion Microfinance Private Limited.
Crore	Ten Million
Debentures/NCDs	680 (Six Hundred and Eighty) Secured, Rated, Listed, Redeemable, Non-convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 68,00,00,000/- (Rupees Sixty Eight Crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer, which shall include the registered transferees of the Debentures from time to time
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the trust deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer
Deed of Hypothecation	The deed of hypothecation to be executed by and between the Issuer and the Debenture Trustee, pursuant to which hypothecation over the Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Deemed Date of Allotment	August 7, 2018
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time



Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or upon exercise of the option to redeem the Debentures prior to the scheduled Redemption Date or acceleration.
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in 8.14 below
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
GAAP	Generally Accepted Accounting Principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Hypothecated Assets	All the right, title, interest, benefit, claims and demands of the Issuer, in, to, or in respect of the receivables arising out of rupee loan facilities advanced / to be advanced by the Issuer to any person and charged under the terms of this Issue.
Increased Costs	It shall include any fees or costs incurred by the Debenture Holder(s) to enable subscription to this Issue, including but not limited to, all such costs arising out of the termination or liquidation of any swaps or hedging arrangement entered into by the Debenture Holder(s) to enable subscription to this Issue.
Issue	Private Placement of the Debentures.
Issue Closing Date	August 7, 2018
Issue Opening Date	July 31, 2018
MFI	Micro finance institution
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 100% (One Hundred Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	August 7, 2021, subject to a Put Option or Call Option or, such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.



Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Net Income	For any particular period and with respect to the Issuer, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).
N.A.	Not Applicable
NBFC	Non-banking financial company
NBFC-MFI	Non-Banking Financial Company –Micro Finance Institution
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer Letter	The offer letter prepared in compliance with Section 42 of the 2013 Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Rating Agency	ICRA Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its registered office at 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi-110001.
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) calendar days prior to any Due Date.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Section 5.23 hereto
Security Cover	The aggregate value of all the Hypothecated Assets which is to be maintained by the Company, within 30 (Thirty) calendar days from the Deemed Date of Allotment till the Maturity Date, at 1 (One) time of the aggregate of the principal amounts and coupon outstanding of the Debentures issued by the Company.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 1956 as amended from time to time and to the extent repealed and replaced, by the Companies Act, 2013 shall mean the Companies Act, 2013 and the relevant rules issued thereunder.



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in SECTION 7.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. However pursuant to the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Information Memorandum/ Private Placement Offer Letter shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act, 2013.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been



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addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum and/or the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum and/or the Private Placement Offer Letter comes are required to inform themselves of, and to observe, any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue



to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However, the Company undertakes to file this Information Memorandum and/or the Private Placement Offer Letter with the Registrar of Companies (through the online portal provided by the Ministry of Corporate Affairs) and SEBI within 30 days from the Deemed Date of Allotment as per the provisions of the 2013 Act and the rules thereunder.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at New Delhi, India. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALIZED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to the Investors on the Deemed



Information Memorandum

Date: July 31, 2018

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Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Information Memorandum and/or the Private Placement Offer Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision.

3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.



3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.9 LEGALITY OF PURCHASE

Potential investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

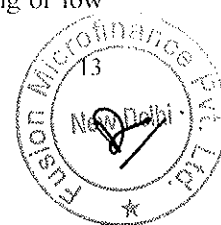
3.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) *Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.



The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As on March 31, 2018, the gross NPA was Rs. 52.62 Crore on a gross portfolio of Rs. 1493 crores (including managed / securitized portfolio Rs. 170 crores).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

(b) ***The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations



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staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

- (c) ***Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

All of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

- (d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

- (e) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.



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- (f) *The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position*

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

- (g) *Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.*

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.



Information Memorandum
Date: July 31, 2018

Private & Confidential
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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2018 are set out in **Annexure V** hereto.



SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on June 26, 2018, authorizing the issue/offer of non-convertible debentures by the Company;
- (e) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (f) Certified true copy of the resolution passed by the Company at the Extra Ordinary General Meeting held on June 26, 2018 authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 3500,00,00,000/- (Rupees Three Thousand and Five Hundred Crores only);
- (g) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
- (h) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
- (i) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a



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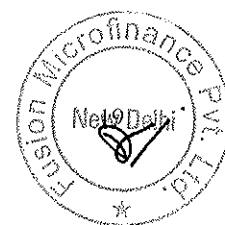
copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Name of the Issuer:	Fusion Microfinance Private Limited
Registered Office of Issuer:	H-1, Block C, Community Centre, Naraina Vihar, Near Gurudwara, New Delhi – 110028.
Corporate Office of Issuer:	H-1, Block C, Community Centre, Naraina Vihar, Near Gurudwara, New Delhi – 110028.
Compliance Officer of Issuer:	Mr. Deepak Madaan
CEO of Issuer:	Mr. Devesh Sachdev
Registration Number:	B-14,02857
Corporate Identification Number:	U65100DL1994PTC061287
Phone No.:	+91 – 011 - 46646600
Fax No.:	-
Contact Person:	Mr. Deepak Madaan
Email:	deepak.madaan@fusionmicrofinance.in
Website of Issuer:	www.fusionmicrofinance.com
Auditors of the Issuer:	BSR & Associates LLP Salarpuria Knowledge City, Orwell, 6th Floor, Unit-3, Survey No. 83/1, Plot No.2, Raidurg, Hyderabad 500081
Trustee to the Issue:	Catalyst Trusteeship Limited, GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038
Registrar to the Issue:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400078
Credit Rating Agency:	ICRA Limited 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi-110001

5.4 A brief summary of business / activities of the Issuer and its line of business:

(a) Overview



Fusion Microfinance Private Limited ("Fusion") is a non-deposit taking NBFC registered with the Reserve Bank of India. The Company started its operation in the year January 2010. The Company's mission is "To provide underprivileged women with economic opportunities to transform the quality of their lives". The organisation is promoted by Mr. Devesh Sachdev. Mr. Devesh is an XIRI Post Graduate with 20 + year experience in the service industry.

Fusion is head quartered in New Delhi and is operational in the less penetrated area of Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal. Fusion follows the Graneeen model of Joint Liabilities Group for its unsecured group loan product.

Industry Overview

Indian microfinance now has 70 million borrower accounts, by-far the largest in any country across the world. Over the last year Indian microfinance institutions that are organised as NBFC-MFIs and operating in remote rural areas of India have emerged as effective financial intermediaries offering an alternative to the inaccessible formal financial institutions. Most of them who received funding and growth capital from banks, have demonstrated commendable scale, sustainability and impact.

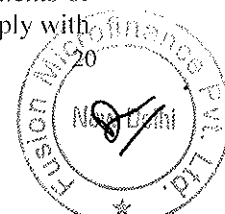
Many NBFC-MFIs have received a good quantum of capital in FY 2014 in the form of both debt and equity. Almost all NBFC-MFIs (less than INR 1000 crores of assets under management) have been consistent in their growth, maintaining excellent portfolio quality in FY 2015.

As a result of a crisis in the MFI industry on October 2010 in the southern state of Andhra Pradesh, the RBI set up a committee to study issues and concerns in the MFI sector, which provided the Malegam Committee Report. The Malegam Committee Report has made various operational and financial recommendations on the microfinance sector that may have negative implications on the operating and financial performance of MFIs including the Issuer. Some of the recommendations made include:

- (i) Increase in regulatory restrictions on a NBFC-MFI (minimum net worth, establishing client protection codes, increase in information technology systems and corporate governance, maintenance of solvency and penalty on MFI for non-compliance);
- (ii) State level legislations to be enacted for regulation of MFIs; Maximum indebtedness of an individual borrower;
- (iii) Maximum annual income of a household qualifying for a loan from an NBFC-MFI;
- (iv) Maximum number of loans to an individual borrower;
- (v) Restrictions on the end usage of the loan for income generating purposes; and
- (vi) Maximum interest rate and maximum margin over cost of funds, maximum processing fees.

Most of the recommendations made under the Malegam Committee Report in January 2011 have been accepted by RBI and the RBI has issued circular dated July 20, 2012 to banks stating that bank loans to micro finance sector will be eligible for categorization as priority sector advance if they meet the eligibility criterias set out in the said circular and has created a new category of NBFCs called the Non-Banking Financial Company-Micro Finance Institution (the NBFC-MFIs). The directions issued by the RBI on August 3, 2012 have been incorporated and now form part of the NBFC-MFI Directions. The NBFC-MFI Directions have been further modified on April 08, 2015

All non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Company Act, 1956) that has not less than 85% of its net assets in the nature of —qualifying assets and has a minimum net owned funds of Rs. 5 Crores other than the ones registered in north eastern region of the country for which net owned fund requirement stands at Rs. 2 Crores. The existing NBFCs to be classified as NBFC-MFIs will be required to comply with the NBFC-MFI Directions w.e.f. April 01, 2012. Existing NBFCs with asset size of more than Rs. 100 Crores are required to maintain a minimum CRAR of 15% from Dec 2, 2011 onwards. Some of the key requirements of the NBFC-MFI Directions and subsequent modifications which the Issuer is required to comply with



which will affect the business operations of the Issuer, which are:

- (i) All registered NBFCs intending to convert to NBFC-MFI must seek registration with immediate effect and in any case not later than October 31, 2012, subject to the condition that they shall maintain Net Owned Funds (NOF) at Rs.3 Crores by March 31, 2013 and at Rs.5 Crores by March 31, 2014, failing which they must ensure that lending to the Microfinance sector i.e. individuals, SHGs or JLGs which qualify for loans from MFIs, will be restricted to 10 per cent of the total assets.
- (ii) NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets. In view of the problems being faced by NBFCs in complying with these criteria on account of their existing portfolio, it has been decided that only the assets originated on or after January 1, 2012 will have to comply with the Qualifying Assets criteria. As a special dispensation, the existing assets as on January 1, 2012 will be reckoned towards meeting both the Qualifying Assets criteria as well as the Total Net Assets criteria.
- (iii) Rate of interest on individual loans may exceed 26%, the maximum variance permitted for individual loans between the minimum and maximum interest rate cannot exceed 4 per cent.
- (iv) Maintain margin cap of 10% for NBFC- MFIs with assets more than INR 100 Crores and 12% for NBFC-MFIs with assets less than INR 100 Crores
- (v) NBFC-MFIs are also required to ensure that the aggregate amount of loans given for income generation is not less than 50 per cent of the total loans extended.
- (vi) NBFI MFIs will have to ensure compliance with, among others, conditions relating to annual household income levels Rs. 100,000/- for rural and Rs. 160,000/- for urban and semi urban households, total indebtedness not to exceed Rs. 100,000/- membership of SHG/JLG, borrowing sources as well as percentage of qualifying assets and percentage of income generating assets
- (vii) Maintain fair practices in lending as stated in the NBFC-MFI Directions;
- (viii) Ensure that it has a code of conduct and systems are in place for supervision of field staff such that non- coercive methods for recovery are used;
- (ix) Ensure corporate governance norms are adopted and there is improvement in efficiency, information technologies etc.; and submit statutory auditors certificate with reference to the position of the company as at end of the financial year ended March 31, every year which should also indicate that the company fulfils all conditions stipulated to be classified as an NBFC-MFI.

(b) Corporate Structure

(i) Vision and Mission:

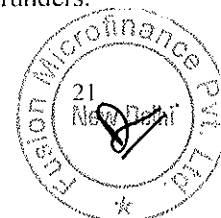
The Company's mission is "A self-sustainable financial institution which leverages the distribution network to channel other products and services".

The Company's vision is "Fusion microfinance has a social vision and business orientation aims to provide underprivileged women with economic opportunities to transform the quality of their lives".

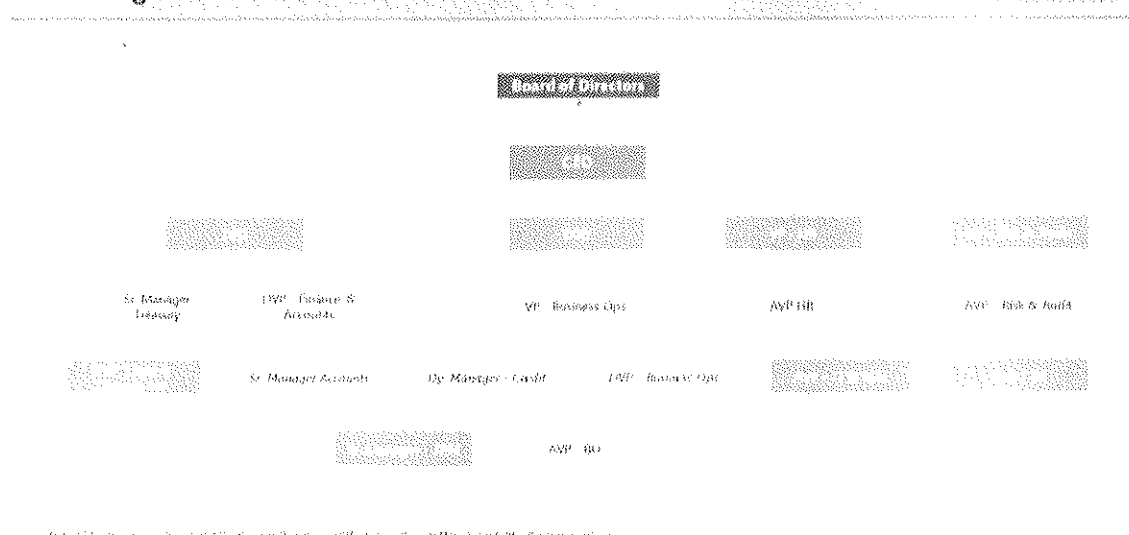
(ii) Current Corporate Status:

The Issuer was incorporated as a private limited company and is currently registered as a NBFC-MFI with the RBI. The Issuer derives the following benefits of being registered as an NBFC-MFI:

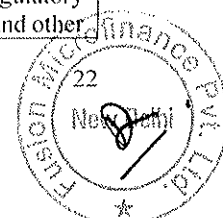
- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC-MFI with transparent ownership. As an Issuer, Fusioncan raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC-MFI can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.



- **Commercialisation:** Classifying Fusion as an NBFC-MFI increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC-MFI, Fusion will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Fusion grows in size, operating as an NBFC-MFI within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC-MFI, Fusion can bring a variety of stakeholders to the table, including clients, management, employees and investors.



Board of Directors		
Name	Designation	Experience
Mr. Devesh Sachdev	Director & CEO	<p>An XLRI Post Graduate with 20 years of experience in the Service Industry prior to starting this venture. He started his career with Citigroup and was part of Credit Card Operations team in Delhi for 4 years.</p> <p>His entrepreneurial quest started with BSA, a small size logistics company. He spearheaded the growth of BSA from single city operations, limited service offerings to Pan India foothold and diversified services making BSA the Market Leader in its segment. He was also responsible for developing and retaining relationship with Multinational Banks, leading Private Banks, Telecom Companies and other Corporate. He took BSA to new heights, he made it operational in 26 cities which had 500 employees, 300 business associates handling transaction of around 4 million per month. Devesh was the first professional manager to be appointed Director on the Board of all the group companies of BSA.</p> <p>His expertise includes managing large teams operationally especially in a cost-efficient model, key relationship management, developing and retaining relationship with MNC Banks & leading Private Banks and handling all dimensions of the business</p> <p>He also holds Vice President position in MFIN, a Self-Regulatory Organization for NBFC-MFIs. MFIN works closely with regulators and other</p>



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Board of Directors		
Name	Designation	Experience
Mr. Nitin Gupta	Independent Director	<p>key stakeholders and plays an active part in the larger financial inclusions dialogue through the medium of microfinance.</p> <p>Nitin is the Founder of Argus Partners, India's only professional firm which focuses exclusively on helping companies find great Independent Non-Executive Board Directors. He is a non-executive co-founder of Fairecent, India's first and best known P2P lending company. He is a Board Director at Loyty Rewardz, India's #1 cards loyalty management company, which was funded by Canaan Partners and Venture East and then acquired by Bill Desk.</p> <p>Nitin was a non-executive Co-Founder of Lets Buy, one of India's most successful e-commerce start-ups, which was sold to FlipKart, India's #1 e-commerce company. During 2003-08, Nitin was with MasterCard Worldwide as their CEO and Country Manager for South Asia.</p> <p>Earlier, Nitin has been the President of Rediff.com, and President of GE Capital India's retail financing business. Nitin received an MBA from IIM, Ahmadabad, a law degree from Bombay University, and an Economics Honours degree from St. Stephen's College, Delhi</p>
Mr. Njord Andrewes	Nominee Director	<p>Njord Andrewes is Investment Director in NMI AS. NMI AS is an asset management firm that seeks to balance financial and social returns. The Investment Director has the overall responsibility for developing and managing the fund(s), including implementing the investment strategy.</p> <p>Prior to joining NMI, he was a Senior Equity Research Analyst at Lazard Capital Markets. Before Lazard, he was an Equity Research Analyst at Janney Montgomery Scott, LLC. He began his career at Robertson Stephens in Sales and Trading. He received an MBA in Finance from Kelley School of Business at Indiana University, and B.A. in Economics from Hope College.</p> <p>He holds several Board or Director position, as well as a member of several advisory committees of financial inclusion funds.</p>
Mr. Albert Hofsink	Nominee Director	<p>He started his career in 1977 as an auditor in South Africa and returned to The Netherlands in 1982 when he joined Ernst & Young in Utrecht.</p> <p>He joined Oikocredit, a global social investor investing capital (debt and equity) in the emerging microfinance sector as well as agricultural cooperatives and social enterprises in more than 60 developing countries, in 1995. In 2002 he was appointed CFO and Director of Finance & Administration and in 2013 as Director for Risk Management Compliance and IT. He spent more than a decade on the Management Board of Oikocredit with responsibilities ranging from Accounting, Treasury, Finance, Tax, Risk Management and IT. Albert has extensive experience in a multicultural environment and in developing countries. He retired from his position end of April 2015 and started consulting and strategy support activities regarding Responsible Investments.</p> <p>He has served on the Boards of: HKL (a successful Cambodian MF1); Maanaveeya Development Finance India and other operating subsidiaries of Oikocredit, including in the Ukraine. He is currently serving on the Boards of Fusion Microfinance in India, Musoni Microfinance in Kenya, Yalelo Limited a sustainable aquaculture enterprise in Zambia and is on the advisory Board of the 4F Fund (an ethical investment Fund based in the Netherlands).</p> <p>He holds a Bachelor in accounting, and Honours degree in Accounting & Controlling as well as a Certificate in Theory of Accountancy from the University of South Africa.</p>



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Board of Directors

Name	Designation	Experience
Ms. Laetitia Counye	Nominee Director	<p>Laetitia Counye is currently Senior Investment Officer – Private Equity at the Belgian Investment Company for Developing Countries (BIO). Laetitia has a 16+ years track record in private equity investments both in emerging and developed markets after having started her career in asset management (ING).</p> <p>From 2007 – 2011 Ms Counye served as a private equity consultant for Incofin Investment Management, manager of several microfinance investment vehicles active worldwide. From 2001-2006, she served as an Investment Manager for Partners@Venture, a venture capital fund specialized in investments in ICT and healthcare.</p> <p>Prior to this, she worked as a financial professional within the ING asset management department. Ms Counye has a Master of Science in Business Economics from Vrije Universiteit Brussel, Belgium.</p> <p>Ms Laetitia Counye has served as Board Member at Annapurna Microfinance from BIO's initial investment in 2014 to June 2017.</p>
Mr. Pradip Kumar Saha	Independent Director	<p>Mr P K Saha was a Chief General Manager, Small Industries Development Bank of India (SIDBI) and senior development banker with more than 36 years of experience in development banking. He started his banking career with IDBI and has been with SIDBI since its inception.</p> <p>During his long career in IDBI & SIDBI, he has handled various departments, some as Head of Department. Specific contributions made by him in HR, Project Finance, SIDBI Foundation for Micro Credit (SFMC), Promotion and Development departments is worth mentioning.</p>
Mr. Javed Ahmad Siddiqui	Nominee Director	<p>He joined SIDBI in 1995 and has worked in HO departments, like business development, HR, Administration and last ten years in branches.</p> <p>Handled business development, HR, Administration and headed various Branches across the India and now at New Delhi branch he currently manages a portfolio of more than Rs. 1500 crores.</p>
Mr. Kenneth Dan Vander Weele –	Nominee Director	<p>Mr. Vander Weele serves as the Chief Investment Officer of Creation Investments. He is a founding board member Creation Investments Social Ventures Fund I and was instrumental in the establishment of Creation Investments' model and pipeline. Mr. Vander Weele was the President of the Investment Services Division at Opportunity International, a global microfinance network.</p> <p>In this role, Mr. Vander Weele was responsible for the development and oversight of all commercial MFIs institutions within the network, garnering over \$1 billion in assets over his tenure. From 2000 to 2008, he was in charge of investment banking services to procure debt and equity capital to finance development and growth of commercial microfinance institutions, overseeing feasibility studies, research, due diligence and financing of MFIs in emerging markets.</p> <p>He was responsible for the management of the Opportunity Transformation Investments (OTI), an investment fund that he helped establish and that has made investments in microfinance institutions in Africa, Central Asia, Eastern Asia, Eastern Europe, Latin America, the Pacific, and the Caribbean, and the development of its investment philosophy, policies and strategies. He also is credited for the creation of new MFIs and the successful conversion of non-governmental institutions into microfinance banks.</p>
Ms. Ratna Viswanathan	Independent Director	<p>Ratna Viswanathan has been the CEO of MFIN for the last three years and was Dy. CEO prior to that. She has built a strong Self-regulating Organisation</p>

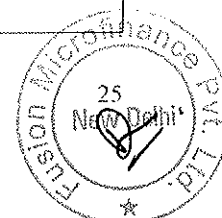


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Board of Directors		
Name	Designation	Experience
		<p>in line with the sector supervision mandate of the RBI and has brought in a strong sense of credibility for the sector as far as the external world is concerned. She has put in place a very valuable property in terms of the international microfinance conclave which is now an annual feature and has enhanced the visibility of the sector.</p> <p>Belonging to the 1987 batch of the Indian Audit and Accounts Service, Ms. Vishwanathan comes with extensive experience across a range of departments of the Government of India including Audit, Defence and Prasar Bharti. In the development sector she has served at very senior levels in well-known international NGOs such as Oxfam and VSO. She steered these entities through critical change management processes as they transitioned from international liaison offices to 'full fledged Indian entities'. Ratna Vishwanathan is a Director on the Board of Mudra, Member of the RBI's Financial Inclusion Advisory Committee and Chairperson of the South Asian Microfinance Network.</p> <p>She is currently the CEO of the Sustainable India Finance Facility which is an entity set up under the United Nations Environment Programme and is partnering with BNP Paribas to bring in private sector investment into sustainable agriculture, green energy, water conservation and other sustainable enterprise at scale.</p>

(iv) **Brief Profile of the Senior Management**

Management Details		
Name	Designation	Experience
Tarun Mehndiratta	Chief Operating Officer	<p>Tarun comes to Fusion with more than 25 years of rich experience with reputed MNC's like Citi Corp Finance India Ltd, GE Capital India and GE joint venture with SBI in India. His 12 years with GE contributed in making him a specialist in leading largescale operations with expertise in New Business Development for the Commercial & Retail Asset lending segments.</p> <p>In his last assignment, Tarun was heading Banca Channel in SBI Cards Payments & Services Ltd.; An SBI – GE Capital India JV which is currently contributing 40% in new sourcing for SBI Cards from SBI and Associate Banks pan India. An inspirational team leader and a problem-solver with strong focus on root-cause analysis for internal process improvements in both manual and automated environments, Fusion stands to benefit a lot from his rich and varied experience. He brings a wealth of knowledge in Management & Strategy from his previous work experiences. Tarun is an MBA from Institute of Marketing and Management, New Delhi.</p>
Mr. Gaurav Maheshwari	Chief Financial Officer	<p>Gaurav comes to Fusion with rich experience of 11 years in corporate finance with different business houses of India i.e. Aditya Birla Group and Avantha Group (Thapar's). His Last assignment was with Avantha Group in their Corporate Finance division. By profession, Gaurav is a Chartered Accountant with Master's in Business Finance.</p>
Mr. Satish Mani	Vice President – Risk & Audit	<p>He has worked for companies like GE Capital, ICICI Bank Ltd, Kotak Mahindra Bank Ltd, Sundaram Finance Limited, UB group etc. He was involved in audit for various PSU's, companies and Bank's like GAIL, COAL India, SAIL, MUL, HINDALCO, HAL, WAPCOS, Indian Overseas Bank, Indian Bank, Bank of India, NFL, RCF, Indian Red Cross Society, etc. spread across India.</p>
Mr. Ankush Ahluwalia	Vice President – Business Operation	<p>Ankush has more than 14 years of rich experience in the field of Business Operations and People Management. He has worked with organizations of high repute like GE Capital, Kotak Mahindra, Religare etc.</p>



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Management Details		
Name	Designation	Experience
Ms. Lekshmi Bhargavi	Vice President- Human Resource & Admin	Lekshmi comes to Fusion with 14+ years of rich experience having handled leadership roles with reputed companies like Vistaar Financial Services, Toyota Financial Services, and O&M. Lekshmi is a Post Graduate in Human Resources from SDM-IMD and a B.Com from Kerala University.
Mr. Gourav Sirohi	Deputy Vice President- Finance & Accounts	He has more than 10 years of experience in the field of Direct and Indirect Taxation, Finance, Financial Audit, Company law Matters, Information System Audit and Valuation.
Mr. Mohd M Hossain	Assistant Vice President -IT & operations	He has more than 14 years of experience in the service industry as a head of MIS and backend processing.
Mr. Deepak Madaan	Company Secretary	He has a corporate experience of over 8 years and prior to joining our Company, he worked with Almondz Group in Merchant Banking, Secretarial & legal Department as Company Secretary and Compliance Officer and has also worked with Century Group in the past.
Mr. Rohit Dhiman	Assistant Vice President - Business Excellence	Rohit Dhiman is a Lean Six Sigma Professional and Change Management Leader. A Certified Master Black Belt, he commenced his Fusion journey with a vintage of over 12 years having worked with Global Brands like MetLife, WNS and eFunds. Having worked in consulting assignments of diversified portfolios across geographies, Rohit is instrumental in process reengineering by implementing Lean Methodologies and Six Sigma framework with best practices of pioneers like TQM and QAI Global. Rohit is a Post Graduate in Mass Communications and a Commerce Graduate. He is a member of ISQ and is actively associated with the Delhi based Quality Management Organization. He is certified from AXELOS Global Best Practice in ITIL (f) V3
Ms. Shafini Singh	Senior Manager- Social Performance	She started her career as an Asst. TV Producer but being a philanthropist at heart she decided to pursue her humanitarian interest. She made an important contribution in organizing fund raising campaign for the mid-day meal program, first of its kind charity dinner, setting up a mobile hospital, organizing health camps and running vocational training centres for under privileged school children.

(v) **Business Segments**

PRODUCT DETAILS

Product	Feature	Purpose	Eligibility (Including Fusion Loan)
12000	1 year	IGL	Max Indebtedness - 100000, 2 Loan
15000	1.5 year/1 years	IGL	Max Indebtedness - 100000, 2 Loan
20000	2 years	IGL	Max Indebtedness - 100000, 2 Loan
25000	2 years	IGL	Max Indebtedness - 100000, 2 Loan
30000	2 years	IGL	Max Indebtedness - 100000, 2 Loan
35000	2 Years	IGL	Max Indebtedness - 100000, 2 Loan
40000	2 Years	IGL	Max Indebtedness - 100000, 2 Loan
45000	2 Years	IGL	Max Indebtedness - 100000, 2 Loan
50000	2 Years	IGL	Max Indebtedness - 100000, 2 Loan
Cross Sell / Individual Loan	1-3 Years	Individual Loan	N.A



(vi) **Lending Methodology**

Origination Process:

The process starts with village meetings conducted by ROs to spread word about Fusion, its loan products, mission and eligibility criteria. There villagers are encouraged to form groups and meet the RO to get loans.

Groups are formed by members meeting the eligibility criteria. The group formation involves enrolment of the members, KYC form filling and identity documents collection. The information collected for each borrower includes complete household level information like monthly income, expense, type of house, number of dependents, age and education profile of members plus caste and religion. The KYC also captures other loans undertaken and the purpose for which new loan is sought.

Loan Utilization Check:

Loan utilization check is performed for loans by the RO for all the loans.

Collections & Recovery

Clearly defined policies for handling defaults & follow-up are in place. Policies for follow-up are based on making use of peer pressure to ensure repayments.

MIS

Fusion has implemented a real time, database independent, cloud based web application "Shakti" which is developed by Qbrik Technologies, Chennai. Shakti is built on open-source platform using the Linux-Apache-MySQL-PHP (LAMP) stack for both the front-end and back-end processing. It has several levels of security built in to the architecture. It has a tier IV data centre ensuring strong firewall and security on the dedicated servers. At the database level, all input content from the users are sanitized and scrubbed before loading to the tables.

Database and other auxiliary data from the production version will be periodically backed up to data storage DR server so that it is available on standby mode. Processes are completely automated with built-in triggers and alerts to be sent out to our support desk for immediate attention.

Risk Management:

The branches are subject to both regular audit and surprise audits. The regular audit is conducted by the Audit Officer and is conducted on a quarterly basis. Fusion plans to conduct two types of audit - Comprehensive branch audit, to be conducted quarterly and for all branches and Spot audits, to be conducted randomly. The Spot Audits will be conducted based upon concerns raised during the regular audits as well as random visits to branches. Fusion is in the process for setting up processes for Branch Audit policies.

The Branch Audit will involve checking which includes cash and cash management practices, adherence to process and systems, record keeping processes.

Audit team size

the Internal Audit team has now 126 Internal Senior/Audit Officers, 24 Assistant Manager, 5 Deputy Manager/Sr. Deputy Manager, 5 State head, 3 Sr. Lead 1 AVP and 1 VP (Risk & Audit). VP-Risk & Audit have dotted line reporting to Audit Committee.

Frequency of Internal Audit



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We are covering all branches detailed on quarterly basis and on monthly basis we are doing short Audits and departments wise of Head Office are also being covered on quarterly basis

Scope of Internal Audit:

Scope of Internal Audit of Branches will include:

Audit of Branch's Field Operations:

- Physical verification of centre formation,
- Conducting GRT,
- House visit
- Attending collection meeting, Timely arrival of RO and members in the centre meeting
- Handling of cash at the centre and Receipt process etc.
- Loan Utilization check.

Audit of Branch's back office Operations:

- Maintenance of various standard registers in soft / hard copy, and other allied records, protection of valuables viz; cash, numbered stationery Receipt Books and Control over Cheque Books,
- Keys to premises, cash safe etc.
- Processing of Loan applications within the TAT of 15 days from the date of formation of Centre,
- Level of Knowledge of procedures of Branch officials,
- Attendance of staff & Leave Record, advice to Head office for salaries calculation for the month by the cut-off date,
- Preservation of various manuals and other official records,
- Maintenance & general cleanliness of branch & RO's residence.

Branch Audit- In Branch Audit, we will include the following:

- Centre Audit
- Branch function Audit
- Branch Grading

Centre Audit: Sampling- 25% of centres formed in last 3 months and 20% of centres formed before last 3 months.

RO Rating: Sampling – 20% of the centre managed by the RO.

In each selected centre, 2 members of each group in the centre will be covered in the audit.

S no	Branch Score	Branch Grade	Comments
1	90% +	GREEN	Good- Keep it up
2	75.1 % -90%	YELLOW	Acceptable- strive for better
3	60.1% - 75%	RED	Weak systems –Immediate actions Required
4	Less than 60%		Stop fresh Disbursement- drastic improvements required



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BRANCH NAME	LAST AUDIT SCORE	80.00	DIFFERENCE(+/-)	20.00
Score Obtained	100.00			
Branch Grade	Green	Very Good-Keep it up		
Parameters	Maximum Score	Score Obtained	Weightage	Final Score
Field Processes	100	100.00	50%	50.00
Branch Processes	100	100.00	10%	10.00
Branch Record Keeping & Reporting	100	100.00	10%	10.00
Cash Management	100	100.00	10%	10.00
Monitoring Mechanism	100	100.00	15%	15.00
Fair Practice Code Implementation	100	100.00	5%	5.00
Total			100%	100.00

(c) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis

Parameters	31-Mar-16	31-Mar-17	31-Mar-18
	Audited	Audited	Audited
Net worth	72.79	222.54	257.70
Total Debt	505.59	938.10	1,604.80
- Non-current maturities of long term Borrowings	263.78	617.75	1,002.49
- short term borrowings	-	18.00	120.82
- Current maturities of long term Borrowings (Including CCD)	241.81	302.35	481.49
Net Fixed Assets	1.73	4.36	4.72
Non-Current Assets	162.38	202.35	547.25
Cash and Cash equivalents	61.67	166.51	505.83
Current investments	-	210.51	0.50
Current Assets	449.66	1,016.08	1,421.21
Current liabilities	272.50	375.92	706.58
Assets Under Management	591.20	771.16	1,492.76
Off balance sheet assets	89.87	20.14	170.07
Interest Income	110.23	184.90	254.52
Interest Expense	48.15	97.44	136.60
Provisioning & write Offs	3.37	25.62	88.32
PAT	13.42	4.10	(39.41)
Gross NPA (%)	0.31%	0.38%	3.98%
Net NPA (%)	0.03%	0.14%	0.16%
Tier I Capital Adequacy Ratio (%)	11.41%	19.94%	15.14%
Tier II Capital Adequacy Ratio (%)	9.70%	6.03%	6.73%

(Rs. Crores)

(d) Gross Debt: Equity Ratio of the Company (As on June 30, 2018):

Before the issue of debt securities	3.68
After the issue of debt securities	5.42

Note: Calculation with Subordinate debt considered as part of Equity



Calculations

As on June 30, 2018, debt-to-equity ratio is calculated as follows:

Debt	14,369,586,620
Equity	3,906,638,598
Debt/Equity	3.68

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

Debt	21,169,586,620
Equity	3,906,638,598
Debt/Equity	5.42

(e) Project cost and means of financing, in case of funding new projects: N.A

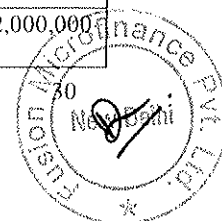
5.5 Brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on last quarter end, i.e., 30.06.2018

Share Capital	Amounts (INR)
Authorized	
Equity Share Capital	500,000,000
Preference Share Capital	50,000,000
TOTAL	550,000,000
Issued and Subscribed	
Equity Shares	442,675,800
Preference Shares	30,000,000
TOTAL	472,675,800
Paid- up	
Fully Paid Up Equity Shares	425,206,260
Partly Paid up Equity Shares	1,746,954
Preference Shares	30,000,000
TOTAL	456,953,214

(b) Changes in its capital structure as on last quarter end i.e., 30.06.2018 for the last five years:

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars
24.12.2009	20,000,000	The Authorized Share capital of the Company was increased from Rs. 50,00,000/- (Rupees Fifty Lakh only) to Rs.2,00,00,000/- (Rupees Two Crore) in the Extraordinary General Meeting held on 24.12.2009.
05.04.2010	6,00,00,000	The Authorized Share capital of the Company was increased Rs.2,00,00,000/- (Rupees Two Crore) to Rs. 6,00,00,000/- (Rupees Six Crore only) in the Extraordinary General Meeting held on 05.04.2010.
21.03.2011	120,00,000	The Authorized Share capital of the Company was increased from Rs. 6,00,00,000/- (Rupees Six Crore only) to Rs. 12,00,00,000/- (Rupees Twelve Crore only) in the Extraordinary General Meeting held on 21.03.2011.
07.03.2013	120,00,000	The Authorized Share capital of the company reclassified into 12,00,00,000 equity shares in the Extraordinary General Meeting.

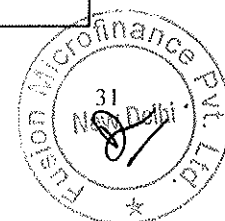


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30.06.2014	22,00,00,000	The Authorized Share capital of the Company was increased from Rs. 12,00,00,000/- (Rupees Twelve Crore only) to Rs. 22,00,00,000/- (Rupees Twenty Two Crore only) in the Extraordinary General Meeting held on 30.06.2014.
12.03.2015	28,00,00,000	The Authorized Share Capital of the Company was increased from Rs. 22,00,00,000/- (Rupees Twenty Two Crore only) to Rs. 28,00,00,000/- (Rupees Twenty Eight Crore only) in the Extraordinary General Meeting held on 12.03.2015.
11.05.2016	450,000,000	The Authorized Share Capital of the Company was increased from Rs. 28,00,00,000/- (Rupees Twenty Eight Crore only) to Rs. 45,00,00,000/- (Rupees Forty Five Crore only) in the Extraordinary General Meeting held on 11.05.2016
30.06.2017	550,000,000	The Authorized Share Capital of the Company was increased from Rs. 45,00,00,000/- (Rupees Forty Five Crore only) to Rs. 550,000,000 (Rupees Fifty Five Crores only) in the Annual General Meeting held on 30.06.2017

(c) **Equity Share Capital History of the Company as on last quarter end i.e. 30.06.2018 for the last five years:**

Cumulative Paid Up Capital								
Date of allotment	Name of Investor	No. of equity shares	Face Value	Nominal Value	Nature of Allotment	No of Equity Shares	Equity Share Capital	Equity Share Premium
16-02-2010	Ashish Tewari	50,400	10	5,04,000	Equity	50,400.00	5,04,000	-
16-02-2010	Payal Mittal	24,600	10	2,46,000	Equity	75,000.00	7,50,000	-
16-02-2010	Devesh Sachdev	75,000	10	7,50,000	Equity	150,000.00	1,50,00,000	-
18-02-2010	Praveen Choudhary	50,000	10	5,00,000	Equity	200,000.00	20,00,000	-
18-02-2010	Poonam Batra	50,000	10	5,00,000	Equity	250,000.00	25,00,000	-
18-02-2010	Devesh Sachdev & Mini Sachdev	40,000	10	4,00,000	Equity	290,000.00	29,00,000	-
18-02-2010	Praveen Choudhary	50,000	10	5,00,000	Equity	340,000.00	34,00,000	-
18-02-2010	Yashvir Singh	50,000	10	5,00,000	Equity	390,000.00	39,00,000	-
12-03-2010	Mini Sachdev	1,60,000	10	16,00,000	Equity	550,000.00	55,00,000	-
12-03-2010	Raghvendra Mittal	50,000	10	5,00,000	Equity	600,000.00	60,00,000	-
12-03-2010	Mini Sachdev	40,000	10	4,00,000	Equity	640,000.00	64,00,000	-
12-03-2010	Yogesh Sharma	25,000	10	2,50,000	Equity	665,000.00	66,50,000	-
23-03-2010	Vishal Nagpal	25,000	10	2,50,000	Equity	690,000.00	69,00,000	-



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23-03-2010	Monika Sharma	25,000	10	2,50,000	Equity	715,000.00	71,50,000	-
23-03-2010	Shashi Bala Wahi	25,000	10	2,50,000	Equity	740,000.00	74,00,000	-
23-03-2010	Devesh Sachdev/Mini Sachdev	30,000	10	3,00,000	Equity	770,000.00	77,00,000	-
31-03-2010	Jasbinder Singh Toor	50,000	10	5,00,000	Equity	820,000.00	82,00,000	-
31-03-2010	Meenakshi Rao	50,000	10	5,00,000	Equity	870,000.00	87,00,000	-
31-03-2010	Meenakshi Rao	30,000	10	3,00,000	Equity	900,000.00	90,00,000	-
31-03-2010	Tarika Sachdev Rajeev Sachdev	35,000	10	3,50,000	Equity	935,000.00	93,50,000	-
31-03-2010	Payal Mittal Tewari/Asish Tewari	1,49,500	10	14,95,000	Equity	1,084,500.00	108,45,000	-
31-03-2010	Lokesh Chauhan, Karta, Lokesh Chauchan (HUF)	25,000	10	2,50,000	Equity	1,109,500.00	110,95,000	-
31-03-2010	Soniya Vikrant Bhagwant/ Vikrant Vishwas Bhagwant	25,000	10	2,50,000	Equity	1,134,500.00	113,45,000	-
31-03-2010	Sawant Jayram Vishnu/ Sewant Kumudini Jayaram	25,000	10	2,50,000	Equity	1,159,500.00	115,95,000	-
10-05-2010	Pooja Chib	25,000	10	2,50,000	Equity	1,184,500.00	118,45,000	-
10-05-2010	Kapil Juneja	25,000	10	2,50,000	Equity	1,209,500.00	120,95,000	-
10-05-2010	Sridhar Kuchibhotla	50,000	10	5,00,000	Equity	1,259,500.00	125,95,000	-
10-05-2010	Atma ram	2,00,000	10	20,00,000	Equity	1,459,500.00	145,95,000	-
10-05-2010	Diwan Chand	25,000	10	2,50,000	Equity	1,484,500.00	148,45,000	-
10-05-2010	Ravi Nagpal	25,000	10	2,50,000	Equity	1,509,500.00	150,95,000	-
10-05-2010	Anil Bholla	50,000	10	5,00,000	Equity	1,559,500.00	155,95,000	-

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10-05-2010	Anju Bholla	50,000	10	5,00,000	Equity	1,609,500.00	160,95,000	-
10-05-2010	Ankur Singhal	50,000	10	5,00,000	Equity	1,659,500.00	165,95,000	-
10-05-2010	Suresh Chand Jain	40,000	10	4,00,000	Equity	1,699,500.00	169,95,000	-
10-05-2010	Shobna Ganesh Deodhar	50,000	10	5,00,000	Equity	1,749,500.00	174,95,000	-
10-05-2010	Ashish Tewari Karta, Ashish Tewari (HUF)	45,000	10	4,50,000	Equity	1,794,500.00	179,45,000	-
10-05-2010	RSL Tewari, Karta, RSL Tewari(HUF)	65,000	10	6,50,000	Equity	1,859,500.00	185,95,000	-
10-05-2010	Aruna Tewari	10,000	10	1,00,000	Equity	1,869,500.00	186,95,000	-
10-05-2010	Lokesh Tuteja	50,000	10	5,00,000	Equity	1,919,500.00	191,95,000	-
10-05-2010	Praveen Coudhary	60,000	10	6,00,000	Equity	1,979,500.00	197,95,000	-
10-05-2010	Mini Sachdev	1,00,000	10	10,00,000	Equity	2,079,500.00	207,95,000	-
10-05-2010	Devesh Sachdev	1,90,000	10	19,00,000	Equity	2,269,500.00	226,95,000	-
10-05-2010	Vishal Nagpal	25,000	10	2,50,000	Equity	2,294,500.00	229,45,000	-
10-05-2010	Poonam Batra	55,000	10	5,50,000	Equity	2,349,500.00	234,95,000	-
14-05-2010	Ashish Tewari	1,45,000	10	14,50,000	Sweat Equity	2,494,500.00	249,45,000	-
14-05-2010	Devesh Sachdev	1,45,000	10	14,50,000	Sweat Equity	2,639,500.00	263,95,000	-
28-05-2010	RIF-NORTH2	22,37,314	10	22,373,140	Equity	4,876,814.00	487,68,140	-
12-10-2011	Devesh Sachdev	1,00,000	10	10,00,000	Equity	4,976,814.00	497,68,140	-
12-10-2011	Ashish Tewari	1,00,000	10	10,00,000	Equity	5,076,814.00	507,68,140	-
07-03-2013	RIF-NORTH2	19,56,000	10	19,560,000	Equity	7,032,814.00	703,28,140	-
07-03-2013	RIF-NORTH2	10,43,860	10	10,438,600	Equity	8,076,674.00	807,66,740	-
07-03-2013	NMI FRONTIER FUND	2,026,316	10	20,263,160	Equity	10,102,990.00	101,029,900	-
24-06-2014	Devesh Sachdev	151,712	10	1,517,120	Equity	10,254,702.00	102,547,020	-
24-06-2014	Ashish Tewari	151,713	10	1,517,130	Equity	10,406,415.00	104,064,150	-



Information Memorandum

Date: July 31, 2018

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18-09-2014	Devesh Sachdev	50,000	10	500,000	Equity	10,456,415.00	104,564,150	-
18-09-2014	Ashish Tewari	30,000	10	300,000	Equity	10,486,415.00	104,864,150	-
18-09-2014	Aruna Tewari	50,000	10	500,000	Equity	10,536,415.00	105,364,150	-
18-09-2014	RIF-NORTH2	1,453,986	10	14,539,860	Equity	11,990,401.00	119,904,010	-
18-09-2014	NMI Frontier	2,822,442	10	28,224,420	Equity	14,812,843.00	148,128,430	-
29-09-2014	Fusion Employee Benefit trust	288253	10	2,882,530	Equity	15,101,096.00	151,010,960	-
27-04-2015	Fusion Employee Benefit trust	1,557,110	10	250,000	Equity	16,658,206.00	166,582,060.00	-
19-06-2015	Belgian Investment Company for Developing Countries SA	1,004,920	10	53,000,000	Equity	17,663,126.00	176,631,260	-
19-06-2015	Oikocredit, Ecumenical Development Co-Operative Society U.A.	1,004,920	10	53,000,000	Equity	18,668,046.00	186,680,460.00	-
11.05.2016	Belgian Investment Company for Developing Countries SA	2,650,000	10	CCD Conversion of Rs. 212,000,000	Equity	21318046.00	213180460.00	-
11.05.2016	Oikocredit, Ecumenical Development Co-Operative Society U.A.	2,650,000	10	CCD Conversion of Rs. 212,000,000	Equity	23968046.00	239680460.00	-
05.07.2016	Devesh Sachdev	735,530	10	19,918,152.40	Equity	24,703,576	247,035,760.00	-
05.07.2016	Fusion Employee Benefit trust	85,141	10	2,305,618.28	Equity	24,788,717	247,887,170.00	-



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12.08.2016	Creation Investments Fusion, LLC	3,700,000	10	370,000,000	Equity	28,488,717	28,488,717.00	
12.08.2016	Global Financial Inclusion Fund	3,330,000	10	333,000,000	Equity	31,818,717	318,187,170.00	
12.08.2016	Belgian Investment Company for Developing Countries SA	1,480,000	10	148,000,000	Equity	33,298,717	332,987,170.00	
12.08.2016	Oikocredit Ecumenical Development Co-Operative Society U.A.	1,406,000	10	140,600,000	Equity	34,704,717	347,047,170.00	
30.12.2017	Creation Investments Fusion, LLC	5,041,716	10	554,588,760	Equity	39,746,433	397,464,330.00	
30.12.2017	Devesh Sachdev	1099,295	10	1099,295	Equity	40,845,728	408,457,280.00	
08.02.2018	Oikocredit Ecumenical Development Co-Operative Society U.A.	1,545,455	10	170,000,050	Equity	42,391,183	423,911,830	
08.02.2018	Global Financial Inclusion Fund	209,091	10	230,00,010	Equity	42,600,274	426,002,740	
16.07.2018	Fusion Employee Benefit Trust	549,647	10	110	6,04,61,170	Equity	43,149,921	16.07.2018
16.07.2018	Devesh Sachdev	647,659	10	110	647,659	Equity	43,797,580	16.07.2018

(d) **Details of any Acquisition or Amalgamation in the last 1 (one) year:**

There has been no acquisition or amalgamation in the last 1 (one) year.

(e) **Details of any Reorganization or Reconstruction in the last 1 (one) year:**



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

There has been no reorganization or reconstruction in the last 1 (one) year.

5.6 Details of the shareholding of the Company as on the latest quarter end, i.e., 30.06.2018

(a) Shareholding pattern of the Company as on last quarter end, i.e. 30.06.2018

Sr. No.	Name of Holder	Class	Number of Shares	%age of Holding	Number of shares held in Demat Form
1	Devesh Sachdev	Promoter	3,351,696	7.57%	3,351,696
2	Mini Sachdev	Promoter's Groups	300,000	0.73%	300,000
3	Fusion Employee Benefit Trust	Trust	1,447,881	0.68%	-
4	Employees	Employees	37,678	3.27%	-
5	RIF North 2 (Incofin)	Investors	3,680,138	0.09%	3,680,138
6	NMI Frontier Fund	Investors	4,848,758	8.31%	-
7	Belgian Investment Company for Developing Countries SA	Investors	5,134,920	10.95%	-
8	Oikocredit, Ecumenical Development Co-Operative Society U.A.	Investors	6,606,375	11.60%	-
9	Creation Investments Fusion LLC ("Creation")	Investors	15,321,043	14.92%	15,321,043
10	Global Financial Inclusion Fund ("Gawa")	Investors	3,539,091	34.61%	-
	Total		44,267,580	100.00%	22,652,877

Preference Shareholding Structure as on June 30, 2018

Name of Share Holders / Particulars	No of Shares	Share Value	% of shareholding
SIDBI	3,000,000	10	100%
TOTAL	3,000,000	10	100%

Notes: Details of shares pledged or encumbered by the promoters (if any): None

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. 30.06.2018:

Sr. No.	Name of Holder	Class	Number of Shares	%age of Holding	Number of shares held in Demat Form
1.	Creation Investments Fusion LLC ("Creation")	Investors	15,321,043	34.61%	15,321,043
2.	Oikocredit, Ecumenical Development Co-Operative Society U.A.	Investors	6,606,375	14.92%	
3.	Belgian Investment Company for Developing Countries SA	Investors	5,134,920	11.60%	
4.	NMI Frontier Fund	Investors	4,848,758	10.95%	
5.	RIF North 2 (Incofin)	Investors	3,680,138	8.31%	3,680,138



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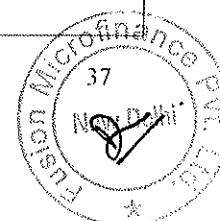
6.	Global Financial Inclusion Fund ("Gawa")	Investors	3,539,091	7.99%	
7.	Devesh Sachdev	Promoter	3,351,696	7.57%	3,351,696
8.	Mini Sachdev	Promoter's group	300,000	0.68%	300,000
9.	Fusion Employee Benefit Trust	Trust	1,447,881	3.27%	
10.	Employees	Employees	37,678	0.09%	

5.7 Following details regarding the directors of the Company*:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Name of the Directors	Designation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company	Occupation
Devesh Sachdev	Director	25-Dec-72	A-247/2 Phase-I, Ashok Vihar Delhi 110052	02547111	AOW PS6753C	5-Nov-09	1. Fusion Saksham Development Foundation	Business
Pradip Kumar Saha	Independent Director	19-Dec-53	1st Floor, N/E Flat No-5, 459 (498), Purbaloke (Kalikapur) Kolkata 700099 WB	02947368	AGIP S8882L	12-Feb-16	1. Bandhan Bank Limited 2. Sonata Finance Private Limited	Retired Banker
Nitin Gupta	Independent Director	5-Jul-60	B-5-601, World Spa West, Sector-30/41, Gurgaon 122001 HR	03316274	AAQ PG7379G	4-Sep-15	1. Amplio Technologies India Private limited 2. Dynamis Mentors Private Limited 3. DHFL Pramerica Life Insurance Company Limited 4. VDOSELECT Advisoors Private Limited 5. MO Dynamis Digital Private Limited 6. Hercules security Solutions & Services Private Limited 7. Loylty Rewardz	Consultant



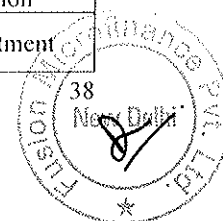
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							Management Private Limited 8, Talisman Advisors Private Limited	
Njord Andrewes	Nominee Director	2-Feb-76	Hans Nielsen Hauges Plass 7 Oslo 0481	06520457	N/A	7-Mar-13	1. RGVN (North East) Microfinance Limited	Investment Director
Laetitia Ann Lillane Counye	Nominee Director	16-Feb-71	Achiel Cleynhens laan 148, 3140 Keerberge n, Belgium 3140 BE	06990144	N/A	08-Feb-18	-	Senior Investment Officer
Albert Hofsink	Nominee Director	12-Jun-58	Valkenhof 93 Nykerk Gld 386	02422809	N/A	19-Jun-15	-	Consultant
Javed Ahmad Siddiqui	Nominee Director	30-Dec-67	11 Park Street, Nr Talkatora Garden, New Delhi 110001	07288484	ABRP S3991 A	12-Feb-16	1. Shikhar Microfinance Private Limited 2. National Minorities Development and Finance Corporation	Banker
Kenneth Dan Vander Weele	Nominee Director	22-Apr-53	4455, East North, Water Street, #2101, Chicago, IL 60611	02545813	NA	12-Aug-16	1. Muthoot Microfin Limited 2. Sonata Finance Private Limited 3. Sohan Lal Commodity Management Private Limited	Chief investment Officer
Ratna Dharashree Vishwanathan	Independent Director	15-Apr-63	E-402, Central Park I sector 42 Gurgaon, Haryana 122002	07278291	ABW PV21 12K	24-May-2018	Micro Units Development & Refinance agency Limited	UN Environment -SIFF

*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL

(b) Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Vishwanath Seshadri	Independent Director	3359710	04/09/2015	28/12/2010	Resigned Due to pre occupation
Mr. Nitin gupta	Independent Director	03359710	04/09/2015	-	Appointment



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Ms. Anita Aleira Serrate Cortez	Nominee Director	07216795	09/01/2018	19/06/2015	Resigned Due to pre-occupation
Mr. Albert Hofsink	Nominee Director	02422809	19/06/2015	-	Appointment
Mr. Pradip Kumar Saba	Additional Director	02947368	12/02/2016	-	Appointment
Mr. Javed Ahmad Siddiqui	Additional Director	07288484	12/02/2016	-	Appointment
Ashish Tewari	Director	2812549	12-08-16	04-12-09	Resigned Due to pre-occupation
Kenneth Dan Vander Weele	Nominee Director	2545813	12-08-16	-	Appointment
Aditya Bhandari	Nominee Director	03062463	28-12-2017	22-Jun-10	As per minimum threshold for directorship mentioned in Shareholder's Agreement
Laetitia Ann Lillane Counye	Nominee Director	06990144	08-02-2018	-	Appointment
Ratna Dharashree Vishwanathan	Independent Director	07278291	24-05-2018	-	Appointment

5.8 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor Since	Remarks
B S R & Associates LLP	Salalpuria Knowledge City, Orwell, 6th Floor, Unit-3, Survey No. 83/1, Plot No.2, Raidurg, Hyderabad - 500081	March 20, 2014	Appointment

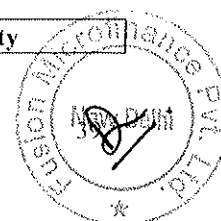
(b) Details of change in auditors since last three years:

Name	Address	Date Appointment / Resignation	Auditor Since	Remarks
B S R & Co.	8-2-618/2, Reliance Humsafar, 4th Floor, Road No.11, Banjara Hills, Hyderabad-500034, India	Feb 06, 2014	Jan 2010	Resignation as auditor of the Company

5.9 Details of borrowings of the Company, as on latest quarter end 30.06.2018

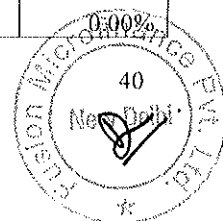
(a) Details of Secured Loan Facilities (as on June 30, 2018):

Lender's Name					Security
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(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

	Type of Facility	Cumulative Amount Sanc.	Principal Amount OS	Repayment Frequency	Primary Security	% Cash Collateral
Oriental Bank of Commerce	Term Loan	19.00	5.36	24	110.00%	10.00%
IDBI Bank Limited	Term Loan	168.00	42.86	24	100.00%	5.00%
SIDBI TL	Term Loan	25.00	6.82	36	100.00%	2.50%
State Bank of India	Term Loan	60.00	19.39	36	100.00%	10.00%
Vijaya Bank	Term Loan	16.00	2.00	36	110.00%	0.00%
Andhra Bank	Term Loan	15.00	12.50	24	111.00%	10.00%
Syndicate Bank	Term Loan	10.00	1.00	36	110.00%	10.00%
NABARD	Term Loan	165.00	96.86	66	118.00%	0.00%
Mudra	Term Loan	10.00	0.40	28	100.00%	10.00%
Bank Of Baroda	Term Loan	15.00	3.50	34	111.00%	10.00%
RBL Bank Limited	Term Loan	105.00	28.13	24	100.00%	5.00%
SBERBANK	Term Loan	38.00	20.00	12	110.00%	0.00%
Standard Chartered Bank	Term Loan	70.00	62.50	12	100.00%	10.00%
HDFC Bank Limited	Vehicle Loan	0.40	0.02	60	0.00%	0.00%
HDFC Bank Limited	Term Loan	80.00	43.33	18	105.00%	10.00%
DCB Bank Limited	Term Loan	24.50	2.08	26	100.00%	5.00%
South Indian Bank Limited	Term Loan	14.00	6.00	36	100.00%	5.00%
Yes Bank Limited	Term Loan	55.00	43.75	24	100.00%	10.00%
Axis Bank Limited	Term Loan	40.00	25.00	24	110.00%	5.00%
Kotak Mahindra Bank Limited	Term Loan	20.00	0.94	24	100.00%	10.00%
IndusInd Bank Limited	Term Loan	70.00	47.73	24	110.00%	5.00%
Utkarsh Small Finance Bank	Term Loan	20.00	20.00	39	100.00%	5.00%
Federal Bank	Term Loan	10.00	10.00	30	120.00%	10.00%
HSBC Bank	Term Loan	25.00	18.75	12	105.00%	5.00%
Au Small Finance Bank Limited	Term Loan	55.00	24.37	27	110.00%	0.00%
Maanaveeya Develp. Finance Pvt. Ltd.	Term Loan	43.50	1.50	36	105.00%	0.00%
IFMR Capital Finance Limited	Term Loan	127.50	24.17	25	100.00%	0.00%
MAS Financial Services Limited	Term Loan	219.75	90.21	24	110.00%	0.00%
Caspian Impact Investments Pvt. Ltd.	Term Loan	26.00	13.13	24	110.00%	0.00%
Nabkisan Finance Ltd.	Term Loan	26.00	12.27	36	110.00%	5.00%
Reliance Commercial Finance Limited	Term Loan	77.00	19.05	24	100.00%	0.00%
Family Credit Limited (LT Finance)	Term Loan	57.00	6.17	27	110.00%	10.00%
Capital First Limited	Term Loan	70.00	66.00	36	110.00%	0.00%



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Mahindra & Mahindra Financial Services Ltd	Term Loan	35.00	27.02	24	110.00%	5.00%
Avanse Financial Services Ltd.	Term Loan	10.00	8.12	24	100.00%	0.00%
Manapuram Finance Limited	Term Loan	50.00	47.67	36	110.00%	0.00%
Piramal Finance Limited	Term Loan	50.00	50.00	24	110.00%	5.00%
Hinduja Leyland Finance Limited TL	Term Loan	20.00	19.42	36	110.00%	0.00%
Shriram City Union Finance Ltd	Term Loan	20.00	18.64	36	110.00%	0.00%
Au Small Finance Bank Limited	Cash Credit	10.00	9.93	12	110.00%	0.00%

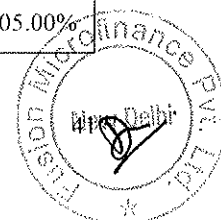
(b) **Details of Unsecured Loan Facilities (as on 30.06.2018):**

Lender's Name	Type of Facility	Amount Sanctioned (INR Crores)	Principal Amount Outstanding	Repayment Date/Schedule
SIDBI	Subordinate debt	7	7	72
IFMR Capital Finance Limited	Unsecured Term Loan	71	36.36	36
IFMR Fimpect Long Term Credit Fund	Sub Debt NCD	35	35	69
IFMR Fimpect Medium Term Opportunity Fund	Sub Debt NCD	15	15	69
Capital First Limited - SD	Sub Debt	30	30	84
Northern Arc Capital Ltd	Sub Debt NCD	30	30	66
IFMR Fimpect Income Builder Fund MLD	Unsecured NCD	25	25	43

(c) **Details of Non-Convertible Debentures: (as on 30.06.2018)**

(Amount in Crore)

Debenture Series	Tenor /Period of Maturity	Coupon (Rate of Interest)	Amount Outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
Hinduja Leyland Finance Ltd NCD	36	12.10 %	16.67	09/04/17	08/31/20	CARE BBB+	Secured	100.00%
IFMR Fimpect Investment Private Limited	69	15.00 %	10.00	05/31/15	12/18/20	CARE BBB+	Secured	100.00%
IFMR Fimpect Income Builder Fund MLD	43	13.25 % - 13.75 %	25.00	03/06/18	09/02/21	CARE PP-MLD BBB+	Unsecured	0.00%
Blue Orchard (MIFA)	48	13.00 %	22.00	12/24/14	12/16/18	ICRA BBB	Secured	105.00%



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Blue Orchard (MF)	60	13.60 %	47.00	08/31/16	08/31/21	ICRA BBB	Secured	105.00%
ASN Microcredit Fund (TJ)	72	14.15 %	52.60	06/02/16	06/01/22	ICRA BBB	Secured	100.00%
AAV Sarl-Symbiotic	61	14.50 %	42.60	06/30/15	08/13/20	ICRA BBB	Secured	100.00%
AAV Sarl-Symbiotic II	37	13.22 %	60.10	06/28/16	07/28/19	ICRA BBB	Secured	100.00%
AAV Sarl-Symbiotic III	36	12.30 %	19.00	03/15/18	03/14/21	ICRA BBB	Secured	100.00%
UTI International Wealth Creator ("responsAbility")	108	13.25 %	55.00	09/15/16	09/15/25	ICRA BBB	Secured	100.00%
Triodos Fare Share Fund	36	12.75 %	63.00	03/16/18	03/31/24	ICRA BBB	Secured	100.00%
CPP-Incofin	36	13.15 %	31.00	07/07/17	07/07/20	ICRA BBB	Secured	100.00%
IFMR Fimpact Long Term Credit Fund	69	13.85 %	35.00	03/15/17	03/30/23	ICRA BBB	Unsecured	0.00%
IFMR Fimpact Medium Term Opportunity Fund	69	13.85 %	15.00	03/15/17	03/30/23	ICRA BBB	Unsecured	0.00%
Northern Arc Capital Ltd	66	13.90 %	30.00	03/31/18	09/29/23	CARE BBB+	Unsecured	0.00%

(d) **List of Top 10 Debenture Holder(s) (as on 30.06.2018)**

(Rupees in Crores)

Sr. No.	Debenture Series	Amount
1	Triodos Fare Share Fund	63.00
2	AAV Sarl-Symbiotic II	60.10
3	UTI International Wealth Creator ("responsAbility")	55.00
4	ASN Microcredit Fund (TJ)	52.60
5	Blue Orchard (MF)	47.00
6	AAV Sarl-Symbiotic	42.60
7	CPP-Incofin	31.00
8	IFMR Fimpact Income Builder Fund MLD	25.00
9	Blue Orchard (MIFA)	22.00
10	AAV Sarl-Symbiotic III	19.00

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided

(e) **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued. (if any):**

The Issuer has not issued any corporate guarantee for any third party as on March 31, 2018



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(f) **Details of Commercial Paper:**

The Issuer has not issued any commercial paper till date.

(g) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 30.06.2018:**

Party Name (In case of Facility/ Instrument Name)	Type of Facility/ Instrument	Amount Sanctioned/ Issued	Principal Amount OS	Credit Rating Schedule	Secured/ Unsecured	Repayment Schedule	Security
SIDBI	OCPS	3.00	3.00	NA	Unsecured	In case of redemption, (i) 50% of outstanding at end of 4 years (ii) remaining at the end of 5 years	NA

(h) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years: NIL**

(i) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: NIL**

5.10 **Details of Promoters of the Company:**

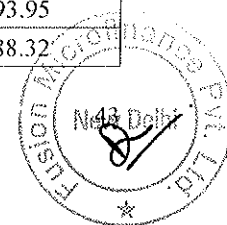
(a) **Details of Promoter Holding in Company as on latest quarter end, i.e. 30.06.2018:**

Name of Shareholders	Category	No. of Shares (Pre)	No. of shares in Demat form	% Share	No of shares Pledged	% of shares pledged with respect to shares owned
Mr. Devesh Sachdev	Promoters	3,351,696	3,351,696	7.57%	Nil	Nil
Total		3,351,696	3,351,696	7.57%	Nil	Nil

5.11 **Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.**

Note: Financial Information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009

Profit and Loss Statement (INR Crore)	31.03.2016	31.03.2017	31.03.2018
	Audited	Audited	Audited
Interest Income	110.23	184.90	254.52
Less: Interest Expenses	48.15	97.44	136.60
Net Interest Income	62.07	87.46	117.92
Other Income	0.12	16.14	12.79
Total Income	62.19	103.60	130.71
Operating Expenses	35.49	66.90	93.95
Provisions & Write Offs	3.37	30.29	88.32



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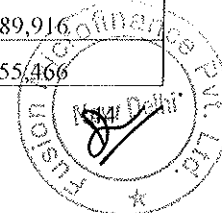
Operating Profit	32.12	36.61	5.63
Depreciation	1.04	1.60	2.04
Profit Before Tax	22.29	4.82	(53.60)
Provisions for tax	8.87	0.72	(14.19)
Profit After Tax	13.42	4.10	(39.41)

Balance Sheet (INR Crore)	31.03.2016	31.03.2017	31.03.2018
	Audited	Audited	Audited
Equity capital	20.29	37.26	44.18
Reserve & Surplus	52.50	185.28	213.51
TNW (A)	72.79	222.54	257.70
Total Debt	463.19	938.10	1,604.80
Current Liabilities+ Provisions	76.05	57.79	105.97
Total Outside Liabilities (B)	539.24	995.89	1,710.77
Total Liabilities (A + B)	612.03	1,218.43	1,968.46
Fixed assets (Net)	1.73	4.36	4.72
Investments		210.51	0.50
Gross Advances	591.20	771.16	1,492.76
Less : Managed Portfolio	89.87	20.14	170.07
Net Loan Outstanding	501.33	751.02	1,322.69
Cash Bank Balance	61.67	166.51	505.83
Non Current assets	32.02	51.44	78.00
Other current assets	13.70	23.43	31.38
Deferred Tax Assets	1.20	10.90	25.09
Intangible Assets	0.39	0.26	0.24
Other Long Term Assets	0.00	-	-
Total Assets	612.03	1,218.43	1,968.46

5.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

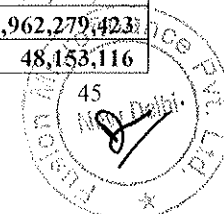
[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	441,826,745	372,565,550
Reserve and surplus	2,135,126,158	1,852,789,916
	2,576,952,903	2,225,355,466



Non-current liabilities		
Long-term borrowings	10,024,861,095	6,177,549,696
Long-term provisions	16,969,203	22,197,528
	10,041,830,298	6,199,747,224
Current liabilities		
Short term borrowings	1,208,175,525	180,000,000
Other current liabilities	5,330,561,568	3,279,933,832
Short-term provisions	527,093,587	299,229,523
	7,065,830,680	3,759,163,355
Total	19,684,613,881	12,184,266,045
ASSETS		
Non-current assets		
(i) Tangible assets	47,249,139	43,589,883
(ii) Intangible assets	2,392,087	2,550,188
Deferred tax assets, net	250,931,961	109,018,191
Loan portfolio	4,391,934,739	1,353,889,032
Long-term loans and advances	30,029,916	10,416,667
Other non-current assets	749,995,256	503,986,337
	5,472,533,098	2,023,450,298
Current assets		
Current investments	5,000,000	2,105,113,760
Trade receivables	4,797,197	-
Cash and bank balances	5,058,328,187	1,665,133,415
Loan portfolio	8,834,957,752	6,156,307,737
Short-term loans and advances	120,599,597	45,995,351
Other current assets	188,398,050	188,265,484
	14,212,080,783	10,160,815,747
Total	19,684,613,881	12,184,266,045

Particulars	31 March 2018	31 March 2017
Income		
Revenue from operations	2,545,195,313	1,849,004,847
Other income	127,931,766	161,427,692
Total revenue	2,673,127,079	2,010,432,539
Expenses		
Operating expenses	944,959,645	349,497,394
Employee benefits expense	661,008,113	483,184,885
Finance costs	1,366,023,585	974,385,935
Depreciation and amortisation	20,406,853	16,026,431
Other expenses	216,777,285	139,184,778
Total expenses	3,209,175,481	1,962,279,423
(Loss)/ profit before tax	(536,048,402)	48,153,116



Tax expenses:		
- Current tax		104,200,000
- Deferred tax	(141,913,770)	(97,018,911)
Profit for the period from continuing operations	(394,134,632)	40,972,027
(Loss)/ profit after tax	(394,134,632)	40,972,027

- 5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.**

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

- 5.14 Names of the Debentures Trustees and Consents thereof.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

- 5.15 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).**

The Rating Agency has assigned a rating of "ICRA BBB" (Pronounced as "ICRA Triple B") with 'stable' outlook to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

- 5.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Not Applicable.

- 5.17 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

- 5.18 Other details:**

- (a) Debenture Redemption Reserve ("DRR") Creation:**



As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

(b) **Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable RBI guidelines.

(c) **Application process:**

The application process for the Issue is as provided in SECTION 8: of this Information Memorandum.

5.19 **A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated May 24, 2018 authorizing issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated June 26, 2018 authorizing the borrowing by the Company and the creation of security.
4	Shareholder Resolution dated June 26, 2018 authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated July 27, 2018
7	Letter from Catalyst Trusteeship Limited dated July 25, 2018 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

5.20 **Details of Debt Securities Sought to be Issued**

Under the purview of the current document, the Issuer intends to raise an amount of Rs 68,00,00,000/- (Rupees Sixty Eight Crores only) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.



For further details of the Debentures, please refer to the terms and conditions of the debentures set out in SECTION 6; of this Information Memorandum.

5.21 Issue Size

The aggregate issue size for the Debentures is of Rs. 68,00,00,000/- (Rupees Sixty Eight Crores Only).

5.22 Utilization of the Issue Proceeds

The proceeds shall be used for growing the Company's loan portfolio subject to such restrictions as the parties may have agreed upon and shall not be utilized for the purposes mentioned below.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

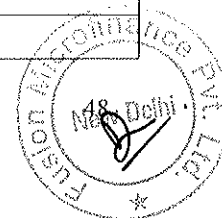
The Issue shall not be utilised towards acquisition financing; viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.23 Issue Details

Security Name	12.1957%FMPL2021
Issuer	Fusion Microfinance Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As provided in Clause 8.14 below



Listing	<p>The Debentures are to be listed on the WDM of the BSE within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment.</p> <p>In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Foreign Portfolio Investors or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Foreign Portfolio Investors or Qualified Foreign Investors.</p> <p>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures</p>
Rating of Instrument	ICRA BBB (pronounced as "ICRA Triple B") with 'stable' outlook
Issue Size	Rs. 68,00,00,000/- (Rupees Sixty Eight Crores only)
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 68,00,00,000/- (Rupees Sixty Eight Crores Only)
Details of the utilization of the Proceeds	<i>The issue proceeds will be to meet funding requirements of the Issuer for growing its microfinance portfolio</i>
Coupon Rate	<p>12.1957% (Twelve Decimal Point One Nine Five Seven Percent) per annum payable semi-annually until the Coupon Reset Date, (net of withholding taxes) and subject to the obligation of the Issuer as provided for in Section 8.25 of this Information Memorandum. The Coupon Rate, as on the date of the Debenture Trust Deed, gross of withholding taxes, shall amount to 12.9000% (Twelve Decimal Point Nine Zero Zero Zero Percent).</p> <p>For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate shall, in the absence of an agreement on the Coupon Rate between the Debenture Holder(s) and the Company, continue to be the same Coupon Rate prevailing on the Deemed Date of Allotment.</p>
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-Annually
Coupon payment dates	Semi-annually on February 7 and August 7 of every calendar year until Maturity Date (subject to adjustments for Business Day Convention).
Coupon Type	Fixed Coupon
Exercise Date/Coupon Reset Date	February 7, 2020 being 18 (Eighteen) months from the Deemed Date of Allotment.



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Coupon Reset Process	The Coupon Rate can be reset on the Coupon Reset Date subject to a new Coupon Rate being agreed on by the Majority Debenture Holders at least 15 (Fifteen) calendar days prior to the Coupon Reset Date and Majority Debenture Holders shall communicate the new Coupon Rate to the Debenture Trustee. The Debenture Trustee shall then communicate the new Coupon Rate, so determined, to the Company at least 10 (Ten) calendar days before the Coupon Reset Date. The new Coupon Rate will be applicable from the Coupon Reset Date. If no new Coupon Rate is communicated to the Company, the existing Coupon Rate will be applicable.
Day Count Basis	Actual / Actual
Interest on Application Money	12.1957% (Twelve Decimal Point One Nine Five Seven Percent) per annum, net of withholding taxes.
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Prepayment Penalty	No earlier than 12 (Twelve) months from the Deemed Date of Allotment. The Issuer shall pay a penalty of 2% (Two Percent) on the principal amount repaid. The Prepayment shall be subject to the consent of the Majority Debenture Holders which consent shall not be unreasonably withheld provided that the Issuer has given the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) calendar days written notice prior to the date of such prepayment.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	36 (Thirty Six) months from the Deemed Date of Allotment
Redemption Date / Maturity Date	August 7, 2021 being 36 (Thirty Six) months from the Deemed Date of Allotment.
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture on the Redemption Date plus accrued Coupon if any.
Redemption Premium/ Discount	N.A
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	February 7, 2020 being 18 (Eighteen) months from the Deemed Date of Allotment.
Put Option Price	Amount equivalent to the face value of all the Debentures being redeemed and interest, due and payable, Increased Costs and other unpaid interests as



	date of the Put Option Notice.
Call Option Date	February 7, 2020 being 18 (Eighteen) months from the Deemed Date of Allotment.
Call Option Price	Amounts equivalent to the face value of all the Debentures and interest, due and payable, Increased Costs and other unpaid interests as on the date of the Call Option Notice.
Put Option Time	<p>To exercise the Put Option on the Put Option Date, the Majority Debenture Holders desirous of exercising the Put Option shall send a notice in writing to the Issuer (with a copy to the Debenture Trustee at least 15 (Fifteen) calendar days prior to the Exercise Date, communicating the intent of the Majority Debenture Holders to exercise the Put Option on the Put Option Date.</p> <p>Upon receipt of the notice, the Issuer shall compulsorily redeem all the Debentures on the Put Option Date by making payment to the Majority Debenture Holders, the outstanding face value of the Debentures (identified in the notice), accrued Coupon, Increased Costs and additional amounts in relation thereto, if any, which shall be borne by the Issuer.</p>
Call Option Time	<p>In the event if the Issuer is desirous of exercising the Call Option, the Issuer shall provide notice to all the Debenture Holders (with a copy marked to the Debenture Trustee) in relation to exercise of the Call Option at least 15 (Fifteen) calendar days prior to the Exercise Date, communicating the intent of the Issuer to exercise the Call Option on the Call Option Date.</p> <p>Upon issuance of the notice, the Issuer shall compulsorily redeem the Debentures identified in the notice on the Call Option Date by making payment to the Debenture Holders, the outstanding face value of the said Debentures (or part thereof as identified in the notice), accrued Coupon, Increased Costs and additional amounts in relation thereto.</p>
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Minimum Application size and in multiples of ___ Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	<p>Issue Opening Date: July 31, 2018 Issue Closing Date: August 7, 2018 Pay-in Dates: July 31, 2018 - August 7, 2018 Deemed Date of Allotment: August 7, 2018 All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Debenture Trustee to be completed 5 (Five) calendar days prior to Issue Opening Date unless otherwise specified.</p>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depositories	NSDL/CDSL
Business Day	If any Coupon Payment Date falls on a day that is not a Business Day, the



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Convention	payment shall be made on the immediately succeeding Business Day. If the Redemption Date / Maturity Date (also being the last Coupon Payment Date) falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation comprising of the assets of the Issuer as follows:</p> <p>(a) Within 30 (Thirty) calendar days from the Deemed Date of Allotment, the Issuer shall create a charge over the Hypothecated Assets to be created in terms of the Deed of Hypothecation. The Security Cover to be maintained by the Issuer shall be equal to 1 (One) times the aggregate principal amount and coupon outstanding of the Debentures ("Security Cover") maintained over the principal amount and coupon outstanding under the Debentures. It is clarified that the Security Cover shall be sufficient to cover the principal and the coupon amounts outstanding under the Debentures at all times.</p> <p>(b) The Issuer undertakes:</p> <p>(i) to maintain the value of Security Cover at all times till the obligations under the Issue are discharged;</p> <p>(ii) to create the charge over the Hypothecated Assets by executing a duly stamped Deed of hypothecation ("Deed of Hypothecation") on or before the Deemed Date of Allotment and filing the relevant form immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;</p> <p>(iii) On and from the date falling at the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment, till the Maturity Date, to provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("Monthly Hypothecated Asset Report").</p> <p>(iv) Any substitution, addition and/or replacement of the Hypothecated Assets shall be made under the terms of the Deed of Hypothecation</p>
Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Execution of Debenture Trustee Agreement and the Debenture Trust Deed and, 2. Such other undertaking as may be required from the Company



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Conditions Subsequent to Disbursement	<ol style="list-style-type: none"> 1. Filing of the relevant documents <i>inter alia</i> private placement offer letter, return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. 2. Completion of the listing of Debentures on BSE within 15 (Fifteen) days from the Deemed Date of Allotment. 3. Execution of the Deed of Hypothecation and filing of the relevant form with the Registrar of Companies for the registration of charge over the Hypothecated Assets. 4. Execution of any other documents as customary for transaction of a similar nature and size. 5. The Issuer shall also obtain a legal opinion on the enforceability of the Transaction Documents.
Events of Default	As mentioned in Clause 7.4 below.
Provisions related to Cross Default Clause	<p>An event of default shall arise if the Issuer:</p> <p>(A) defaults in any payment of Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created; or</p> <p>(B) defaults in the observance or performance of any agreement or condition relating to any Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or</p> <p>(C) due to any default or an event of default, any Indebtedness of the Issuer is declared to be due and payable or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.</p> <p>"Indebtedness" means any obligation of the Issuer (whether incurred as principal, independent guarantor or as a surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent."</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cash-flows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in New Delhi, India and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.



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2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.



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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter: NIL**
- (B) **The year in which the entity is declared as a Wilful Defaulter: NIL**
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- (D) **Name of the entity declared as a Wilful Defaulter: NIL**
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**



SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

(i) STATUS:

- a. It is a company, duly incorporated, registered and validly existing under the laws of India.
- b. It has the power to own its assets and carry on its business as it is being conducted.

(ii) BINDING OBLIGATIONS:

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(iii) NON-CONFLICT WITH OTHER OBLIGATIONS:

The entry into, and performance by it of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with:

- a. any law or regulation applicable to it including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions;
- b. its constitutional documents; or
- c. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing Indebtedness of the Company.

(iv) POWER AND AUTHORITY:

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.



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(v) **VALIDITY AND ADMISSIBILITY IN EVIDENCE:**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- a. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- b. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- c. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(vi) **NO DEFAULT:**

No Event of Default has currently occurred and is continuing as on the date hereof or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. To the best of the Issuer's knowledge, no other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect as on the date hereof.

(vii) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other unsecured creditors, except for obligations mandatorily preferred by law applying to companies generally.

(viii) **NO PROCEEDINGS PENDING:**

There are no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, may have a Material Adverse Effect, have (to the best of its knowledge and belief) been started against it except as disclosed by the Company in its annual reports, financial statements and this Information Memorandum.

(ix) **NO MISLEADING INFORMATION:**

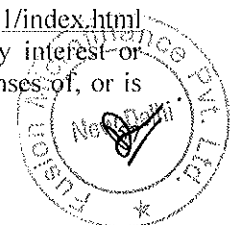
All information provided by the Issuer to the Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) on which it is stated.

(x) **COMPLIANCE:**

The Company is in compliance with all laws for the performance of its obligations with respect to this Issue including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(xi) **ASSETS:**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN: U65100DL1994PTC061287 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is



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otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(xii) **FINANCIAL STATEMENTS:**

- a. The Issuer's financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- b. The financial statements most recently supplied to the Debenture Trustee as of March 31, 2018 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(xiii) **SOLVENCY:**

- a. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the applicable laws, nor in any such case, will it become so in consequence of entering into this Issue.
- b. The value of the assets of the Issuer is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- c. As on the date hereof, the Issuer has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

7.3 COVENANTS OF THE ISSUER

The covenants of the Issuer shall be in accordance with Clause 3.4, Clause 3.5, Clause 3.6 and Clause 3.7 of the Debenture Trust Deed.

7.4 EVENTS OF DEFAULT

The Events of Default shall be in accordance with Clause 5.1 and Clause 5.2 of the Debenture Trust Deed.

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.



SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee



Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery (c) in the case of facsimile at the time when dispatched with a report



confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to potential investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name : Fusion Microfinance Private Limited
Bank Account No. : 912020014420522
SWIFT Code : AXISINBB791
IFSC Code : UTIB0000791
Bank Name : Axis Bank Limited
Branch Address : SCO-50&51, OLD JUDICIAL COMPLEX, CIVIL LINES,
SECTOR-15, GURGAON 122001

8.14 Eligible Investors



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

- (a) Mutual Funds
- (b) NBFCs
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Institutional Investors (FIIs)
- (g) Qualified Foreign Investors (QFIs)
- (h) Foreign Portfolio Investors (FPIs)
- (i) Insurance Companies
- (j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in



the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories



8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

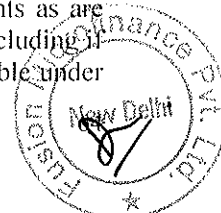
8.24 Effect of Holidays

In case any Coupon Payment Date falls on a day which is not a Business Day, the payment to be made on such Coupon Payment Date shall be made on the next Business Day. When the Redemption Date falls on a day which is not a Business Day, the payment to be made of such Redemption Date (including accrued Coupon) shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this Issue is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including in the Company shall be required legally to make any payment for Tax from the sums payable under



the Debenture Trust Deed, ("Tax Deduction"), the Company shall make such Tax Deduction, as may be necessary and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 7 (Seven) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is August 7, 2018 by which date the Investors would be intimated of allotment.

8.28 Record Date

The Record Date will be 7 (Seven) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

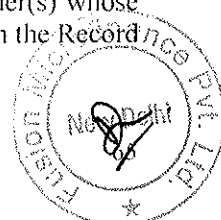
Interest shall be payable on the application monies received at the Coupon Rate of 12.1957% (Twelve Decimal Point One Nine Five Seven Percent) per annum net of withholding taxes. Such interest shall be payable from the date of realisation of application monies in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.



The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

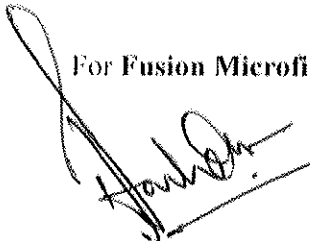
Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.



SECTION 9: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Fusion Microfinance Private Limited



Authorised Signatory



Name: Mr. Devesh Sachdev

Title: Director & CEO

Date: July 31, 2018

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE E: TERM SHEET

As provided in Clause 5.23 above.



ANNEXURE II: RATING LETTER



ICRA

ICRA Limited

Ref: D/RAT/2018-19/106/1

July 27, 2018

Mr. Devush Sachdev
CEO & Director
Fusion Microfinance (Pvt.) Ltd.
C-3, Community Center,
Naraina Vihar
New Delhi - 110028

Dear Sir,

Re: ICRA Credit Rating for the Rs. 68.00 crore Non-Convertible Debenture (NCD) Programme of Fusion Microfinance (Pvt.) Ltd.

Please refer to the Rating Agreement dated July 25, 2018 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]BBB** (pronounced as ICRA triple B) rating to the captioned NCD Programme. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The Outlook on the long-term rating is 'Stable'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]BBB (Stable)**. We would request if you can sign the acknowledgement and send it to us latest by August 01, 2018 as acceptance on the assigned rating. In case you do not communicate your acceptance/non-acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Leading Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon 122002, Haryana

Tel : +91 124 4545360
CIN : L74999DL1991PLC042749

Website: www.icra.in
Email: info@icra.in
Helpdesk: +91 124 2866928

Registered Office: 1105, Kasturba Building, 1st Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel : +91 11 23357940-45

RATING • RESEARCH • INFORMATION 11043



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST

Trusteeship Limited

July 31, 2018

To
Mr. Inequal Madan
Fusion Micro Finance Private Limited
H-1, C-1, D-1, Connaught Place,
New Delhi - 110028

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Senior, Redeemable, Non-Convertible Debentures aggregating upto Rs. 34 Crores to be issued by your Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agree to undertake to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange (BSE) / National Stock Exchange (NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchanges or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

We Accept the above terms

For Fusion Micro Finance Private Limited

For Fusion Micro Finance Pvt. Ltd.

Authorized Signatory

Authorized Signatory

Company Secretary

CATALYST TRUSTEESHIP LIMITED (CIN: 722007 DP 2500000)

Registered Office: 10/1, No. 10, 1st Floor, 1st Wing, Main Road, Naraina Industrial Area, New Delhi - 110028. Tel: 011-26101000. Fax: 011-26101001. Email: info@catalysttrusteeship.com. Website: www.catalysttrusteeship.com.
Registered Office: 10/1, No. 10, 1st Floor, 1st Wing, Main Road, Naraina Industrial Area, New Delhi - 110028. Tel: 011-26101000. Fax: 011-26101001. Email: info@catalysttrusteeship.com. Website: www.catalysttrusteeship.com.
Page 1 of 1

10/1, No. 10, 1st Floor, 1st Wing, Main Road, Naraina Industrial Area, New Delhi - 110028. Tel: 011-26101000. Fax: 011-26101001. Email: info@catalysttrusteeship.com. Website: www.catalysttrusteeship.com.



CATALYST

TRUSTEESHIP LIMITED

100, Connaught Place, New Delhi - 110028

At New Delhi

To

Mr. Deepak Mahajan
Fusion Micro Finance Private Limited
H-1, Connaught Community Centre,
Nandla Vihar,
New Delhi - 110028

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Senior, Redeemable, Non-Convertible Debentures aggregating upto Rs. 34 Crores to be issued by your Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Lamp Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD-6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange (BSE), National Stock Exchange (NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

M. K. Mahajan

Authorized Signatory

We Accept the above terms

For Fusion Micro Finance Private Limited.

For Fusion Micro Finance Pvt. Ltd.

Deepak Mahajan

Authorized Signatory

Company Secretary

CATALYST TRUSTEESHIP LIMITED (Company Secretaries)

Registered Office: 100, Connaught Place, New Delhi - 110028, India. Telephone: 011-26101010, 011-26101011, 011-26101012, 011-26101013, 011-26101014, 011-26101015, 011-26101016, 011-26101017, 011-26101018, 011-26101019, 011-26101020, 011-26101021, 011-26101022, 011-26101023, 011-26101024, 011-26101025, 011-26101026, 011-26101027, 011-26101028, 011-26101029, 011-26101030, 011-26101031, 011-26101032, 011-26101033, 011-26101034, 011-26101035, 011-26101036, 011-26101037, 011-26101038, 011-26101039, 011-26101040, 011-26101041, 011-26101042, 011-26101043, 011-26101044, 011-26101045, 011-26101046, 011-26101047, 011-26101048, 011-26101049, 011-26101050, 011-26101051, 011-26101052, 011-26101053, 011-26101054, 011-26101055, 011-26101056, 011-26101057, 011-26101058, 011-26101059, 011-26101060, 011-26101061, 011-26101062, 011-26101063, 011-26101064, 011-26101065, 011-26101066, 011-26101067, 011-26101068, 011-26101069, 011-26101070, 011-26101071, 011-26101072, 011-26101073, 011-26101074, 011-26101075, 011-26101076, 011-26101077, 011-26101078, 011-26101079, 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FUSION MICROFINANCE PRIVATE LIMITED

Date of Incorporation: September 03, 1994

Telephone No: +91-011-46646600

Website: <http://www.fusionmicrofinance.com/>

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									
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Issue of 680 (Six Hundred and Eighty) Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 68,00,00,000/- (Rupees Sixty Eight Crores only) on a private placement basis (the "Issue").

Number of Debentures: In words: "only"
Amount Rs. /- In words Rupees : Only

Cheque / Demand Draft / RTGS
No. _____ Drawn on _____

Funds transferred to Fusion Microfinance Private Limited
Dated

Total Amount Enclosed
(In Figures) Rs. /- (In words) Only

APPLICANT'S NAME IN FULL (CAPITALS)	SPECIMEN SIGNATURE
--	---------------------------

[illegible][illegible]

APPLICANT'S PAN/GIR NO. IT CIRCLE/WARD/DISTRICT

WE ARE() COMPANY () OTHERS () SPECIFY

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Information Memorandum and have considered these in making our decision.



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account :	
(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

	FOR OFFICE USE ONLY
DATE OF RECEIPT	DATE OF CLEARANCE

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of



Information Memorandum
Date: July 31, 2018

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any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT	DATE OF CLEARANCE

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.	1	-	-	-	-	-	-	-	-
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Received from

Address	
Cheque/Draft/UTR # _____ Drawn on _____ for	
Rs. _____ on account of application of _____	Debenture



Information Memorandum
Date: July 31, 2018

Private & Confidential
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(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

Fusion Micro Finance Private Limited
Balance Sheet as at 31 March 2018

(All amounts in Indian rupees, except place data and where otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1.1	441,826,743	1,17,56,534
Reserve and surplus	2.2	2,135,176,138	1,83,789,516
		2,576,952,881	2,01,356,050
Non-current liabilities			
Long-term borrowings	2.3	10,024,861,025	6,27,547,600
Long-term provisions	2.4	16,292,531	37,197,578
		10,041,153,556	6,64,745,178
Current liabilities			
Short-term borrowings	2.5	1,268,173,515	1,61,887,508
Other current liabilities	2.6	5,370,561,568	6,79,671,812
Short-term provisions	2.7	5,17,093,582	1,04,229,573
		7,055,828,665	1,76,138,893
Total		19,684,613,881	12,181,266,045
ASSETS			
Non-current assets			
Property, plant and equipment	2.8		
(i) Tangible assets		47,219,114	1,580,003
(ii) Intangible assets		2,192,687	2,530,166
Deferred tax assets, net	2.15	250,931,963	13,035,791
Loan portfolio	2.9	1,391,934,334	1,51,887,637
Long-term loans and advances	2.10	10,039,916	54,416,663
Other non-current assets	2.11	219,895,036	54,858,532
		5,472,513,098	77,113,698
Current assets			
Financial investments	2.12	8,460,880	7,135,13,760
Trade receivables	2.13	4,297,197	
Cash and bank balances	2.14	5,058,128,182	1,665,744,425
Loan portfolio	2.9	8,834,957,252	6,176,027,242
Short-term loans and advances	2.15	150,599,593	13,923,431
Other current assets	2.16	188,198,050	188,725,484
		14,112,661,881	14,169,815,321
Total		19,684,613,881	12,181,266,045

Significant accounting policies

3

Notes to the financial statements

2

The notes referred to above form an integral part of the financial statements

As per our Report of even date attached
for BSR & Associates LLP

Chartered Accountants

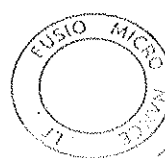
ICAI Firm Registration Number: 11625DW-P00034

Arpan Jain
Partner
Membership Number: 125720

for and on behalf of the Board of Directors of
Fusion Micro Finance Private Limited
CIN: U74899DL1994PLC064287

Devesh Sachdev
Director & CEO
DIN: 02560111

Deepak Madaan
Company Secretary



Pradip Kumar Saha
Director
DIN: 02917368

Ganesh Maheshwari
Joint Managing Director

Place: Gurgaon
Date: 24 May 2018

Place: New Delhi
Date: 24 May 2018



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Fusion Microfinance Private Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs Only)
Issue Date / Date of Allotment	Issue Opening Date: July 31, 2018 Deemed Date of Allotment: August 7, 2018
Redemption Date / Maturity Date	Redemption Date / Maturity Date: August 7, 2021
Coupon Rate	12.1957% (Twelve Decimal Point One Nine Five Seven Percent) p.a. net of withholding tax.
Frequency of the Coupon Payment with specified dates	Coupon payable Semi-annually. First Coupon on February 7, 2019 and subsequently on August 7 and February 7 of every calendar year until Maturity Date (subject to Business Day Convention).
Day Count Convention	Actual/Actual

Scenario 1: Put Option / Call Option Not Exercised					
Cash Flows	Interest Accrual Date	Interest Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Issue amount					
1st Coupon	February 7, 2019	February 7, 2019	184	41,806,191	
2nd Coupon	August 7, 2019	August 7, 2019	181	41,124,569	
3rd Coupon	February 7, 2020	February 7, 2020	184	417,83,222	
4th Coupon	August 7, 2020	August 7, 2020	182	412,38,793	
5th Coupon*	February 7, 2021	February 8, 2021	184	417,14,936	
6th Coupon*	August 7, 2021	August 6, 2021	181	411,24,569	
Principal*	August 7, 2021	August 6, 2021			680,000,000
Total					680,000,000
*After adjusting for Non-Business Days					

Scenario 2: Put Option / Call Option Exercised					
Cash Flows	Interest Accrual Date	Interest Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Issue amount					
1st Coupon	February 7, 2019	February 7, 2019	184	41,806,191	
2nd Coupon	August 7, 2019	August 7, 2019	181	41,124,569	
3rd Coupon	February 7, 2020	February 7, 2020	184	41,783,222	
Principal	February 7, 2020	February 7, 2020			680,000,000
Total					680,000,000
*After adjusting for Non-Business Days					

