



Fusion Microfinance Limited

(Formerly known as Fusion Micro Finance Private Limited)

Date: 24.02.2023

Letter No. FMFL/SEC/2022-23/SE-132

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip Code: FUSION	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652
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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Postal Ballot Notice dated February 24, 2023

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Postal Ballot Notice dated February 24, 2023, seeking approval of the members of the Company, only by way of remote e-voting process for the following resolutions:

- To approve the Ratification of Fusion Employee Stock Option Plan 2016 as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- To approve the Fusion Employee Stock Option Plan 2023
- To approve the winding up of Fusion Micro Finance Limited Employee Stock Option Plan 2014 (ESOP Plan 2014), after transfer of remaining shares under ESOP Plan 2014, if any, to Fusion Employee Stock Option Plan 2023
- To approve the Provision of money by the Company for Purchase of Its own share by the trust / trustees for the benefit of Employees Under Fusion Employee Stock Option Plan 2016 And under Fusion Employee Stock Option Plan 2023

Postal Ballot Notice has been sent only through electronic mode to all the members who have registered their email addresses with the Depository Participants (DPs)/ M/s Link Intime India Private Limited (Company's Registrar and Share Transfer Agents or RTA) (LIPL) and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on **Friday, February 17, 2023 (Cut-off Date)**.

The Company has engaged the services of Link Intime India Private Limited ('LIPL' or 'e-voting agency') as the agency to provide e-voting facility to the Members of the Company. The e-voting facility will be available during the following period:

Start Date and Time	Saturday, 25th February, 2023 (09:00 A.M.)
Close date and Time	Sunday, 26th March, 2023 (05:00 P.M.)

The Postal Ballot Notice is available on the Company's website at www.fusionmicrofinance.com

You are requested to take the same on your record.

For **Fusion Micro Finance Limited**
(Formerly Fusion Micro Finance Private Limited)

Deepak Madaan
Company Secretary & Compliance Officer
Membership No. A24811
Place: Gurugram



FUSION MICRO FINANCE LIMITED

(Formerly Fusion Micro Finance Private Limited)

CIN: U65100DL1994PLC061287

Registered office: H-1, C Block, Community Centre, Naraina Vihar, New Delhi-110028.

Corporate office: Plot No. 86, Institutional Sector 32, Gurugram-122001 Haryana

Email ID: deepak.madaan@fusionmicrofinance.com, companysecretary@fusionmicrofinance.com

Website: www.fusionmicrofinance.com Ph. : 0124-6910500/6910600

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014

**To,
The members,
Fusion Micro Finance Limited**

Notice is hereby given pursuant to provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rule 20 & Rule 22 of the Companies (Management and Administration) Rules, 2014 ('the Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 03/ 2022 dated 5th May, 2022 and 11/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs, Government of India ('MCA Circulars'), Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the resolution(s) set out in this Notice are proposed to be passed by the Members of Fusion Micro Finance Limited ('the Company') by means of Postal Ballot, only by remote e-voting process ('remote e-voting' or 'e-voting').

The proposed resolutions along with the Explanatory Statement pursuant to Section 102(1), 110 and other applicable provisions, if any, of the Act read with rules framed thereunder, setting out the material facts and reasons thereof are annexed to this Notice.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent ('RTA')/Depository Participant(s). The communication of assent or dissent of the Members would take place only through the remote e-voting system and the hard copy of Postal Ballot Notice (along with postal ballot forms) and pre-paid business envelope through post will not be sent to the Members for this Postal Ballot.

The Company has engaged the services of Link Intime India Private Limited ('LIPL' or 'e-voting agency') as the agency to provide e-voting facility to the Members of the Company.

Shareholders/Members are requested to carefully read the instructions and procedures indicated in this Notice to cast their vote electronically. Postal ballot e-Voting Period is as follows:

Start Date and Time	Saturday, 25th February, 2023 (09:00 A.M.)
Close date and Time	Sunday, 26th March, 2023 (05:00 P.M.)

Members whose names appear on the register of members / List of Beneficial owners as on the **cut-off date i.e., Friday, February 17, 2023** will only be considered eligible for the purpose of e-voting.

The Board of Directors of the Company has appointed Mr. Harish Kumar (Membership no. F11918), Proprietor of M/s. Harish Popli & Associates, Company Secretaries as Scrutinizer for conducting the postal ballot, through e-voting process, in a fair and transparent manner. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The Scrutinizer will submit his report, after the completion of scrutiny, to the Chairman or any person authorised by him. The results of the Postal Ballot/e-voting along with Scrutinizer's Report shall be displayed on the Company's website www.fusionmicrofinance.com, on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in>, and shall also be communicated to the stock exchanges on which the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, within two (2) working days from the conclusion of remote voting. The results shall also be displayed for atleast three days on the Notice board of the company at its Registered office and its Head Office/Corporate Office.

The proposed resolutions, if assented by the requisite majority, shall be deemed to be passed on the last date specified for e-voting i.e., **Sunday, 26th March, 2023**.

SPECIAL BUSINESS:

ITEM NO. 1: TO APPROVE THE RATIFICATION OF FUSION EMPLOYEE STOCK OPTION PLAN 2016 AS PER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations"), pursuant to the provisions of section 62(1)(b) and Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and all other applicable provisions, of the Companies Act, 2013, if any, and other rules made there under (including any statutory modification(s) or re-enactment thereof), the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject to such further other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the Fusion Employee Stock Option Plan 2016 ("**ESOP 2016**") as originally approved by circulation by the Board of Directors of the Company on December 14, 2016 and approved by the Shareholders on January 16, 2017, and was further amended by the Board of Directors on July 25, 2021 and approved by the Shareholders on July 27, 2021, respectively, prior to the Initial Public Offering ("**IPO**") of the Company, be and is hereby ratified and the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer, issue, reissue, grant, transfer and allot at any time, to and for the benefit of employees and Directors of the Company (as may be permitted under applicable laws) in terms of the ESOP 2016 as detailed in explanatory Statement.

RESOLVED FURTHER THAT the ESOP 2016 is implemented through Trust route, wherein the Fusion Employees Benefit Trust ("**Trust**") shall acquire the shares of the Company by way of direct allotment from the Company and shall transfer shares upon exercise of options to employees as defined in the scheme from time to time in accordance with the ESOP 2016.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company under the ESOP 2016 shall rank pari-passu in all respects with then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations, 2021, and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Plan and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such

questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT Mr. Devesh Sachdev, Managing Director & CEO and Mr. Deepak Madaan, Company Secretary & Compliance Officer of the Company be and are hereby severally authorised for carrying out any or all of the activities that the Board of Directors are authorised to do for the purpose of giving effect to this resolution.”

ITEM NO. 2: TO APPROVE THE FUSION EMPLOYEE STOCK OPTION PLAN 2023

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations, 2021”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded for approval of Fusion Employee Stock Option Plan 2023 (**“ESOP 2023”**) and the Board of Directors (hereinafter referred to as the “Board of Director” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the ESOP 2023, in one or more tranches not exceeding 10,00,000 (Ten Lakhs Only) Employee Stock Options (“Options”) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of Employees and Directors of the Company, its Subsidiary Company in India or outside India or Holding Company of the Company and to such persons as may, from time to time, be allowed to be eligible for the benefits of the ESOP 2023 (as permitted under the applicable laws), exercisable into not more 10,00,000 (Ten Lakhs Only) Equity Shares (“Shares”) of face value of 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the ESOP 2023 shall be administered by the Nomination and Remuneration Committee (“Committee”) of the Company who shall have all the necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB & SE) Regulations, 2021, for the purpose of administration and implementation of the ESOP 2023.

RESOLVED FURTHER THAT the ESOP 2023 shall be implemented through trust route, already set up by the name of Fusion Employee Benefit Trust (**“Trust”**) shall acquire the shares of the Company by way of direct allotment from the Company.

RESOLVED FURTHER THAT the 10,00,000 (Ten Lakhs) Shares, will be acquired by the Trust by the way of Direct allotment from the Company.

RESOLVED FURTHER THAT the Shares to be issued and allotted by the Company under the ESOP 2023 shall rank pari-passu in all respects with then existing Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations, 2021, and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT Mr. Devesh Sachdev, Managing Director & CEO and Mr. Deepak Madaan, Company Secretary & Compliance Officer of the Company be and are hereby severally authorised for carrying out any or all of the activities that the Board of Directors are authorised to do for the purpose of giving effect to this resolution.”

ITEM NO. 3: TO APPROVE THE WINDING UP OF FUSION MICRO FINANCE LIMITED EMPLOYEE STOCK OPTION PLAN 2014 (ESOP PLAN 2014), AFTER TRANSFER OF REMAINING SHARES UNDER ESOP PLAN 2014, IF ANY, TO FUSION EMPLOYEE STOCK OPTION PLAN 2023

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to all applicable provisions, of Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof), Regulation 8 of Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”), provisions of the Memorandum of Association and Article of Association of the Company, and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the members of the Company, be and is hereby accorded and the Board of Directors (hereinafter referred to as the “Board of Director” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to transfer the excess 42,147 (Forty Two One Hundred Forty Seven) Equity Shares with respect to ESOP Scheme 2014, lying with the Fusion Employee Benefit Trust (“Trust”), be and is hereby transferred to offer, issue, reissue and allot at any time under the Fusion Employee Stock Option Plan 2023 (“ESOP 2023”), to or for the benefit of Employees and Directors of the Company and to such other persons as may, from time to time, be allowed to be eligible for the benefits under ESOP 2023 pursuant to exercise of options, on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws.

RESOLVED FURTHER THAT the Shares, to be issued and allotted by the Company under the Scheme shall rank pari-passu in all respect with the then existing Shares of the Company.

“**RESOLVED THAT** pursuant to Regulation 8 of Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”), applicable provisions, of Companies Act, 2013, if any, and rules made there under (including any statutory modification(s) or re-enactment thereof), and provisions of the Memorandum of Association and Article of Association of the Company, and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the members of the Company be and is hereby accorded to wind up the Fusion Micro Finance Limited Employee Stock Option Plan -2014 (“ESOP Scheme 2014”), in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws.

RESOLVED FURTHER THAT Mr. Devesh Sachdev, Managing Director & CEO and Mr. Deepak Madaan, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to take such steps as may be necessary and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

ITEM NO. 4: TO APPROVE THE PROVISION OF MONEY BY THE COMPANY FOR PURCHASE OF ITS OWN SHARE BY THE TRUST / TRUSTEES FOR THE BENEFIT OF EMPLOYEES UNDER FUSION EMPLOYEE STOCK OPTION PLAN 2016 AND UNDER FUSION EMPLOYEE STOCK OPTION PLAN 2023

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** in furtherance to the resolution passed by the Board of Directors of the Company in their meetings dated September 18, 2014, February 13, 2015, May 11, 2016, July 05, 2016, February 11, 2023 and pursuant to the provisions of

Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations, 2021"], the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/ imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/ or sanction(s), the consent of the Members of the Company be and is hereby accorded and the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to Fusion Employees Benefit Trust ("**Trust**"), in one or more tranches not exceeding 5% (Five percent) of the aggregate of the Paid-Up share capital and Free Reserves, or other limit as prescribed under the applicable laws, from time to time, for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust / Trustees, in one or more tranches, subject to the ceiling of Equity Shares ("Shares") as may be prescribed under Fusion Employee Stock Option Plan 2016 ("**ESOP 2016**"), under Fusion Employee Stock Option Plan 2023 ("**ESOP 2023**") or any other share based Employee benefit plan which may be introduced by the Company from time to time ("Employee Benefit Plan(s)"), with a view to purchase such Shares in line with contemplated objectives of the Plan or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB & SE) Regulations, 2021, the Companies Act, 2013 and any other applicable laws and regulations.

RESOLVED FURTHER THAT the above prescribed limit shall be taken on consolidated basis for all Employee Benefit Plan(s) as may be undertaken by the Company from time to time.

RESOLVED FURTHER THAT any loan provided by the Company shall be interest free and shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the Plan(s) and in accordance with the relevant provisions of the applicable laws & regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI (SBEB & SE) Regulations, 2021, Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT Mr. Devesh Sachdev, Managing Director & CEO and Mr. Deepak Madaan, Company Secretary & Compliance Officer of the Company be and are hereby severally authorised for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

By Order of the Board of Directors
For Fusion Micro Finance Limited
(Formerly Fusion Micro Finance Private Limited)
Sd/-
Deepak Madaan
Company Secretary & Compliance Officer
Membership No. A24811

Date: 24.02.2023
Place: Gurugram

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of the business as set out in the Notice is annexed hereto.
2. In compliance with MCA circulars, the Company will send Postal Ballot Notice only by email to all its Members who have registered their email addresses with the Depository Participants (DPs)/ M/s Link Intime India Private Limited (Company's Registrar and Share Transfer Agents or RTA) (LIPL) and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on **Friday, February 17, 2023 (Cut-off Date)**. A person who is not a member as on the cut-off date should treat this Notice of Postal Ballot for information purpose only.
3. The results of the e-voting along with Scrutinizer's Report shall be displayed on the Company's website www.fusionmicrofinance.com, on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in>, and shall also be communicated to the stock exchanges on which the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, within two (2) working days from the conclusion of remote voting. The results shall also be displayed for atleast three days on the Notice board of the company at its Registered office and its Head Office/Corporate Office.
4. In accordance with the MCA circulars, the Company has made arrangements for the Members to register their email address. Members who have not registered their email address are requested to register the same with the Depository Participants (DPs), if the shares are held in electronic form.
5. In terms of Sections 108, 110 and other applicable provisions of the Act, as amended, read together with the Rules and in compliance with Regulation 44 of the Listing Regulations as amended from time to time, the Company has arranged to provide remote e-voting facility to all the members of the Company. The Company has appointed Link Intime India Private Limited (hereinafter referred to as "LIPL") for providing remote e-voting facility to its members. The instructions for e-voting are provided as part of this Postal Ballot Notice which the members are requested to read carefully before casting their vote.
6. The e-voting facility will be available only during the e-voting period which will **commence on Saturday, 25th February, 2023 (09:00 A.M. IST) and ends on Sunday, 26th March, 2023 (05:00 P.M. IST)**. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
7. To support 'Green Initiative' for receiving all communication (including Notice of Postal Ballot) from the Company electronically, members holding shares in dematerialised mode are requested to register/update changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant.
8. The voting rights of members shall be in proportion to their share of the paid-up equity share capital as on the Cut-off Date i.e. **Friday, February 17, 2023**.
9. The results of the Postal Ballot will be announced on or before Tuesday, 28th March, 2023.
10. The proposed resolutions, if assented by the requisite majority, shall be deemed to be passed on the last date specified for e-voting i.e., Sunday, 26th March, 2023.
11. Pursuant to the Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and as per Regulation 47 of SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating in the whole or substantially the whole of India and one Hindi (Vernacular) daily newspaper.
12. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same. Further the said Resolution/Authority shall also be sent to the Scrutinizer by email through its registered email address to service@harishpopliandassociates.com with a copy marked to companysecretary@fusionmicrofinance.com on an immediate basis
13. The documents referred to in this Postal Ballot Notice and the Explanatory Statement will be available for inspection electronically until last date of remote e-voting. i.e. Sunday, 26th March, 2023. Any member seeking to inspect can send

an e-mail to the Company at companysecretary@fusionmicrofinance.com. with subject line "Inspection of Documents", mentioning their name, DP Id and Client Id and documents they wish to inspect.

14. The Company's Registrar and Transfer Agent for its share registry work (Physical and Electronic) is Link Intime India Private Limited (herein after referred to as "RTA"). All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents, at the address mentioned below:

M/s. Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058

Tel: 011 - 4141 0592/93

Telefax: 011 - 4141 0591

Email: delhi@linkintime.co.in

15. In case of any queries relating to voting by electronic means, please refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available at the Help section of <https://instavote.linkintime.co.in> In case of any grievances connected with facility for voting by electronic means, please contact Mr. Rajiv Ranjan, Assistant Vice President - e-Voting, Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083, Email: rajiv.ranjan@linkintime.co.in. or enotices@linkintime.co.in Tel: +91 22 - 49186000.

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
 1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
 2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
 3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
 4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants
You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Procedure for procuring User ID and Password for e-voting for those shareholders whose email/mobile no. are not registered with the company

Shareholders are requested to update their email id & mobile no. with respective Depository Participant (DP).

If you have any queries or issues regarding e-Voting from the Link Intime India Private Limited, you can write an email to rajiv.ranjan@linkintime.co.in or delhi@linkintime.co.in or contact at 011 - 4141 0592/93.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rajiv Ranjan, Assistant Vice President - e-Voting, Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083, Email: rajiv.ranjan@linkintime.co.in. or enotices@linkintime.co.in, Tel: +91 22 – 49186000.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.1

The Member of the Company are informed that the Fusion Employee Stock Option Plan 2016 (“**ESOP 2016**”), was approved in pursuance of the resolution passed by circulation by the Board of Directors of the company on December 14, 2016, which was noted by the Board of Directors on February 16, 2017 and approved by the Shareholders on January 16, 2017, and thereafter, the amendment was made by the Board of Directors on July 25, 2021 and approved by the Shareholders on July 27, 2021, prior to the Initial Public Offering (“**IPO**”) of the Company.

In terms of Regulation 12(1) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“**SEBI (SBEB & SE) Regulations**”), no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any Plans/ Plans formulated prior to its Initial Public Offering (“**IPO**”) and prior to the listing of its equity shares (“**Pre-IPO Plan/ Plan**”) unless: (i) such Pre-IPO Plan/ Plan is in conformity with the SEBI (SBEB & SE) Regulations; and (ii) Such Pre-IPO Plan/ Plan is ratified by its shareholders subsequent to the IPO.

The Board of Directors of the Company at their meeting held on February 11, 2023 approved and recommended to the Shareholders of the Company, ratification of ESOP 2016.

The Company aims to ratify the ESOP 2016 and accordingly in terms of the SEBI (SBEB & SE) Regulations 2021, it is required to obtain the approval from its Shareholders for ratification of the ESOP 2016 prior to grant of Options. The Special Resolution set out at Item No: 1 is seeking your approval for ratification of the ESOP 2016.

The salient features and other details of the ESOP 2016 as required pursuant to Regulation 6(2) of SEBI (SBEB & SE) Regulations are as under:

Brief Description of the ESOP 2016:

This Plan shall be called the Fusion Employee Stock Option Plan 2016 (“**ESOP 2016**”).

The objective of the Plan is to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to attract and retain key talents in the organization. The Company views this Plan as instrument that would enable sharing the value with the Employees they create for the Company in the years to come.

Total number of Options to be granted:

Particulars	ESOP 2016 (No. of Options)
Total number of Options for which Shareholders’ approval obtained (Pool) before IPO	30,99,407
Options granted before IPO	33,77,380
Options Lapsed & added back to the pool*	3,80,267
No. of Options to be granted After IPO	1,02,294

*as on the date of notice

Identification of classes of employees entitled to participate and be beneficiaries in the ESOP 2016:

For Grant of Options Post Listing:

- a. An employee as designated by the Company, who is exclusively working in India or outside India; or
- b. A director of the Company, whether a Whole Time Director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- c. an employee, as defined in sub-clauses (a) or (b) above, of a Subsidiary Company in India or outside India, or of a Holding Company of the Company; or
but does not include
 - i. An employee who is a Promoter or a person belonging to the Promoter Group; or
 - ii. A director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

Requirement of Vesting and period of Vesting:

Employee Stock Options granted under ESOP 2016, shall vest subject to minimum period of 1(One) year from the date of Grant

and not more than maximum period of 4 (Four) Years from the date of Grant of Options.

Maximum period within which the Options shall be vested:

The Maximum period within which the Options shall be vested is 4 (Four) years from the date of grant of such Options.

Exercise Price or Pricing Formula:

- i. The exercise price of the Shares will be based upon market price.
- ii. The Committee has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

Exercise period and process of Exercise:

After vesting, Options can be immediately exercised within the exercise period, either wholly or in part, through cash mechanism under which the Grantee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the ESOP 2016 and as mentioned in grant letter after the Grantee has made the payment of the Exercise Price, applicable income tax and other charges, if any.

The Vested Options can be exercised by the Employees within the Exercise Period of 8 years from the date of vesting of Options.

Appraisal process for determining the eligibility of the Employees for the ESOP 2016:

The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of Options under the ESOP 2016 and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- Performance of Employee: Employee's performance during the financial year on the basis of the parameters decided by the Committee.
- Performance of Company: Performance of the Company as per the standards set by the Board.
- Any other criteria as decided by the Committee from time to time.

The Maximum number of Options to be granted per Employee and in aggregate:

Subject to availability of Options, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The Maximum quantum of benefits to be provided per Employee under the ESOP 2016:

The maximum quantum of benefits that will be provided to every eligible Employee under the ESOP 2016 will be the difference between the market value of Company's Share on the Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

Whether the ESOP 2016 is to be implemented and administered directly by the Company or through a Trust:

The ESOP 2016 shall be implemented through Trust Route wherein the Trust shall acquire the Shares by direct allotment from the Company.

Subject to applicable laws, the ESOP 2016 shall be administered by the Committee which shall delegate all of its administrative powers to the Trust for implementation of the ESOP 2016.

Whether the ESOP 2016 involves new issue of shares by the company or secondary acquisition by the Trust or both:

The ESOP 2016 shall be implemented through Trust Route wherein the Trust shall acquire the Shares by direct allotment from the Company.

Particulars	No. of Options
After considering Exercise Applications, Total Number of Shares held by the Trust under ESOP 2016 (Listed as on date of Notice)	2,55,134
Balance shares to be allotted to the trust under ESOP 2016	13,52,454

The amount of loan to be provided for implementation of the ESOP 2016 by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

For the purpose of acquisition of Shares by the said Trust, the Trust may be funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other person/source under Applicable Laws.

The amount of loan to be provided for implementation of the ESOP 2016 by the Company to the Trust Shall not exceed 5% of the paid-up equity capital and free reserves as provided in Companies Act, 2013. The loan shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the ESOP 2016 and in accordance with the relevant provisions of the applicable laws & regulations. The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of duration or termination of the ESOP 2016.

The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the ESOP 2016:

Not Applicable, as the ESOP 2016 involves Direct Allotment by the Company.

Statement to the effect that the company shall conform to the accounting policies specified in regulation 15;

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations, 2021 or as may be prescribed by regulatory authorities from time to time.

The cost of equity-settled transactions i.e. Stock options settled by issue of equity is determined by the fair value at the date when the grant is made using an appropriate valuation model as per IND AS 102.

The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

Statement with regard to Disclosure in Director's Report:

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

Period of lock-in:

The Shares arising out of Exercise of vested Options Shall not be subject to any lock –in period after such exercise.

Terms & conditions for buyback, if any, of specified securities:

The Committee will determine the procedure for buy-back of Options granted under the ESOP 2016, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Laws.

The Board of Directors of the Company recommend the Special resolution as set out at Item no. 1 for approval by members.

None of the Directors, Manager and Key Managerial Personnel of the Company, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the ESOP 2016.

ESOP 2016 and other documents referred to in the aforesaid resolutions are available for inspection electronically until last date of remote e-voting. i.e. Sunday, 26th March, 2023. Any member seeking to inspect can send an e-mail to the Company at companysecretary@fusionmicrofinance.com. with subject line "Inspection of Documents", mentioning their name, DP Id and Client Id and documents they wish to inspect.

The documents referred to in this Postal Ballot Notice and the Explanatory Statement will be available for inspection electronically until last date of remote e-voting. i.e. Sunday, 26th March, 2023. Any member seeking to inspect can send an e-

mail to the Company at companysecretary@fusionmicrofinance.com, with subject line "Inspection of Documents", mentioning their name, DP Id and Client Id and documents they wish to inspect.

ITEM NO.2

Equity based remuneration includes alignment of personal goals of the Employees with Organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the Employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on February 11, 2023, approved the Fusion Employee Stock Option Plan 2023' ("ESOP 2023") to or for the benefit of such Employees as defined in the Scheme.

In terms of Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"] and Section 62 and other applicable provisions, if any, of the Companies Act, 2013, the issue of Equity Shares under an Employee Stock Options Scheme requires approval of the shareholders by way of a Special Resolution. The Special Resolution set out at Item No. 2 is to seek your approval for the said purpose.

The main features and other details of the Scheme as per Regulation 6(2) of the SEBI (SBEB & SE) Regulations, are as under:

Brief Description of the ESOP 2023:

This Plan shall be called the Fusion Employee Stock Option Plan 2023 ("**ESOP 2023**").

The objective of the ESOP 2023 is to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to attract and retain key talents in the organization. The Company views this Plan as instrument that would enable sharing the value with the Employees they create for the Company in the years to come.

Total number of Options to be granted:

The maximum number of options that may be granted under ESOP 2023 shall not exceed 10,00,000 (Ten Lakhs only), with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2023.

If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Stock Options pool and shall become available for future Grants, subject to compliance with all Applicable Laws.

Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action.

Identification of classes of employees entitled to participate and be beneficiaries in the ESOP 2023:

- a. An employee as designated by the Company, who is exclusively working in India or outside India; or
- b. A director of the Company, whether a Whole Time Director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- c. an employee, as defined in sub-clauses (i) or (ii) above, of a Subsidiary Company in India or outside India, or of a Holding Company of the Company; or
but does not include
 - i. An employee who is a Promoter or a person belonging to the Promoter Group; or
 - ii. A director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

Requirement of Vesting and period of Vesting:

Employee Stock Options granted under ESOP 2023, shall vest subject to minimum period of 1(One) year from the date of Grant and not more than maximum period of 4 (Four) Years from the date of Grant of Options.

Maximum period within which the Options shall be vested:

The Maximum period within which the Options shall be vested is 4 (Four) years from the date of grant of such Options.

Exercise Price or Pricing Formula:

Under the Scheme the exercise price shall be determined as per SEBI (SBEB & SE) Regulations, 2021:

- i. The exercise price of the Shares will be based upon market price.
- ii. The Committee has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

Exercise period and process of Exercise:

After vesting, Options can be immediately exercised within the exercise period, either wholly or in part, through cash mechanism under which the Grantee will receive the Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the ESOP 2023 and as mentioned in grant letter after the Grantee has made the payment of the Exercise Price, applicable income tax and other charges, if any.

The Vested Options can be exercised by the Employees within the Exercise Period of 8 years from the date of vesting of Options.

Appraisal process for determining the eligibility of the Employees for the ESOP 2023:

The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of Options under the ESOP 2023 and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- Performance of Employee: Employee's performance during the financial year on the basis of the parameters decided by the Committee.
- Performance of Company: Performance of the Company as per the standards set by the Board.
- Any other criteria as decided by the Committee in consultation with the Board from time to time.

The Maximum number of Options to be granted per Employee and in aggregate:

The maximum number of options that may be granted under ESOP 2023 shall not exceed 10,00,000 (Ten Lakhs only), with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2023.

Subject to availability of Options, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The Maximum quantum of benefits to be provided per Employee under the ESOP 2023:

The maximum quantum of benefits that will be provided to every eligible Employee under the ESOP 2023 will be the difference between the market value of Company's Share on the Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

Whether the ESOP 2023 is to be implemented and administered directly by the Company or through a Trust:

The ESOP 2023 shall be implemented through Trust Route wherein the Trust shall acquire the Shares by direct allotment from the Company.

Subject to applicable laws, the ESOP 2023 shall be administered by the Committee which shall delegate all of its administrative powers to the Trust for implementation of the ESOP 2023.

Whether the ESOP 2023 involves new issue of shares by the company or secondary acquisition by the Trust or both:

The ESOP 2023 shall be implemented through Trust Route wherein the Trust shall acquire the Shares by direct allotment from the Company.

The amount of loan to be provided for implementation of the ESOP 2023 by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

For the purpose of acquisition of Shares by the said Trust, the Trust may be funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other person/source under Applicable Laws.

The amount of loan to be provided for implementation of the ESOP 2023 by the Company to the Trust Shall not exceed 5% of the paid-up equity capital and free reserves as provided in Companies Act, 2013. The loan shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock options under the ESOP 2023 and in accordance with the relevant provisions of the applicable laws & regulations. The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Grantees and the accruals of the Trust at the time of duration or termination of the ESOP 2023.

The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the ESOP 2023:

Not Applicable, as the ESOP 2016 involves Direct Allotment by the Company.

Statement to the effect that the company shall conform to the accounting policies specified in regulation 15;

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations, 2021 or as may be prescribed by regulatory authorities from time to time.

The cost of equity-settled transactions i.e. Stock options settled by issue of equity is determined by the fair value at the date when the grant is made using an appropriate valuation model as per IND AS 102.

The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

Statement with regard to Disclosure in Director's Report:

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

Period of lock-in:

The Shares arising out of Exercise of vested Options Shall not be subject to any lock –in period after such exercise.

Terms & conditions for buyback, if any, of specified securities:

The Committee will determine the procedure for buy-back of Options granted under the ESOP 2023, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Laws.

The Board of Directors of the Company recommend the Special resolution as set out at Item no. 2 for approval by members.

None of the Directors, Manager and Key Managerial Personnel of the Company, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the ESOP 2023.

ESOP 2023 and other documents referred to in the aforesaid resolutions are available for inspection electronically until last date of remote e-voting. i.e. Sunday, 26th March, 2023. Any member seeking to inspect can send an e-mail to the Company at companysecretary@fusionmicrofinance.com. with subject line "Inspection of Documents", mentioning their name, DP Id and Client Id and documents they wish to inspect.

ITEM No. 3:

The members are hereby informed that Fusion Micro Finance Limited Employee Stock Options -2014 (“ESOP Scheme 2014”) passed by our Board on June 24, 2014 and approved by our Shareholders on June 30, 2014, and subsequently amended ESOP 2014 by resolutions passed by our Board on July 25, 2021 and our Shareholders on July 27, 2021 prior to Initial Public Offer (“IPO”) of the Company.

The ESOP Scheme 2014 is implemented through the Trust route, which acquires shares by way of direct allotment from the Company for the purposes of extending the benefits of the ESOP Scheme 2014. The members are informed that the Company has framed a Fusion Employee Stock Option Plan 2023 (“ESOP 2023”), which is also implemented through Trust Route and both schemes are being administered by Fusion Employee Benefit Trust.

Further, the member are also informed that upon winding up of Fusion Micro Finance Limited Employee Stock Option Plan 2014, and pursuant to Regulation 8 of the SEBI (SBEB & SE) Regulations, 2021, all the remaining shares lying with the Fusion Employee Benefit Trust (“Trust”) after meeting all the obligations with respect to ESOP Scheme 2014, i.e 42,147 shares needs to be transferred, issued and utilized under the Fusion Employee Stock Option Plan 2023 (“ESOP 2023”), for which Shareholders’ approval is sought. The Special Resolution set out at Item No. 3 is to seek your approval for the said purpose.

The Board of Directors in their meeting held on February 11,2023 has approved this proposal and further recommends to the shareholders for their approval as a special resolution as set out in the Item no. 3 of the notice.

ITEM NO. 4

In order to execute Fusion Employee Stock Option Plan 2016 (“ESOP 2016”) and Fusion Employee Stock Option Plan 2023 (“ESOP 2023”) through Trust Route, the company needs to make provision of funds to the Trust so as to enable it to purchase the Shares of the Company.

In terms of the provisions of Section 67 of the Companies Act, 2013, read with Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, the provision by a Company of money in accordance with any Plan shall be approved by company through special resolution, for the purchase of, or subscription for, fully paid-up shares in the Company, if the purchase of, or the subscription for, the equity shares held by trustees for the benefit of the employees;

Therefore, your directors recommend the Resolutions as set out at Item no. 4 for your approval by way of Special Resolution.

The disclosures as per Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, are as under:

1.	The class of Employees for whose benefit the Plan is being implemented and money is being provided for purchase of or subscription to Shares.	<p>As defined under Fusion Employee Stock Option Plan 2016 (“ESOP 2016”)</p> <p><u>For Grant of Options Post Listing:</u></p> <p>a. An employee as designated by the Company, who is exclusively working in India or outside India; or</p> <p>b. A director of the Company, whether a Whole Time Director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or</p> <p>c. an employee, as defined in sub-clauses (a) or (b) above, of a Subsidiary Company in India or outside India, or of a Holding Company of the Company; or</p> <p>but does not include</p> <p>i. An employee who is a Promoter or a person belonging to the Promoter Group; or</p> <p>ii. A director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.</p> <p>As defined under Fusion Employee Stock Option Plan 2023 (“ESOP 2023”)</p> <p>a. An employee as designated by the Company, who is exclusively working in India or outside India; or</p> <p>b. A director of the Company, whether a Whole Time Director or not, including a non-executive director who is not a Promoter or</p>
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		<p>member of the Promoter Group, but excluding an Independent Director; or</p> <p>c. an employee, as defined in sub-clauses (a) or (b) above, of a Subsidiary Company in India or outside India, or of a Holding Company of the Company; or</p> <p>but does not include</p> <p>i. An employee who is a Promoter or a person belonging to the Promoter Group; or</p> <p>ii. A director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.</p>
2.	The particulars of the Trustee or Employees in whose favor such Shares are to be registered.	<p>Name of the Trust: Fusion Employees Benefit Trust (“Trust”)</p> <p>Name of the Trustees: 1) Mr Ravindra Singh 2) Mr Satish Mani</p>
3.	Particulars of Trust.	<p>Name of the Trust: Fusion Employees Benefit Trust (“Trust”)</p> <p>Address of the Trust: H-1, C-Block, Community Centre, Naraina Vihar, New Delhi - 110028</p>
4.	Name, Address, Occupation and Nationality of Trustees.	<p>1. Name: Mr Ravindra Singh Address: 002, Tower 14 A, Orchid Petals, Sector 49, Sohna Road, Gurgaon, Haryana -122018 Occupation: Service Nationality: Indian</p> <p>2. Name: Mr Satish Mani Address: 27, Nagin Lake Apartment, Paschim Vihar, West Delhi - 110087 Occupation: Service Nationality: Indian</p>
5.	Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None
6.	Any interest of Key Managerial Personnel, Directors or Promoters in such Plan or Trust and effect thereof.	The Key Managerial personnel and Directors are interested in the Scheme only to the extent, to the Options that may be granted to them, if any, under the Scheme
7.	The detailed particulars of benefits which will accrue to the Employees from the implementation of the Plan	<p>As defined under Fusion Employee Stock Option Plan 2016 (“ESOP 2016”) The objective of the Plan is to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to attract and retain key talents in the organization. The Company views this Plan as instrument that would enable sharing the value with the Employees they create for the Company in the years to come.</p> <p>As defined under Fusion Employee Stock Option Plan 2023 (“ESOP 2023”) The objective of the ESOP 2023 is to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Plan to attract and retain key talents in the organization.</p>

8.	The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the Plan would be exercised	<p>The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Shares to the Employees.</p> <p>However, the Trustees will not have any right to vote on the Equity Shares held by the Trust.</p> <p>Once the shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the Shareholder of the Company and shall exercise the right to vote in respect of such shares.</p>
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None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options that may be granted under the said Plans.

**By Order of the Board of Directors
For Fusion Micro Finance Limited
(Formerly Fusion Micro Finance Private Limited)**

**Sd/-
Deepak Madaan
Company Secretary & Compliance Officer
Membership No. A24811**

Date: 24.02.2023
Place: Gurugram