



Our Company was originally incorporated as "Ambience Finance Private Limited" on September 5, 1994 at New Delhi, India as a private limited company under the Companies Act, 1956, and was granted a certificate of incorporation by Registrar of Companies, Delhi and Haryana at New Delhi ("**RoC**"). On January 9, 2003, the RBI granted a certificate of registration bearing registration no. B-14.02857 to our Company, for the registration of our Company as a non-deposit accepting non-banking financial company under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, the name of our Company was changed to "Fusion Micro Finance Private Limited" and a fresh certificate of incorporation, dated April 19, 2010 was issued by the RoC to describe the business of the Company, post which the RBI granted a certificate of registration dated May 19, 2010 reflecting the change of name. Our Company was granted an "NBFC – Microfinance Institution" status by the RBI with effect from January 28, 2014 and a modified certificate of registration bearing registration no. B-14.02857 was issued by the RBI to this effect. The name of our Company was further changed to Fusion Micro Finance Limited upon conversion to a public limited company and a fresh certificate of incorporation was issued by the RoC on July 20, 2021, post which a fresh certificate of registration as an NBFC (not accepting public deposits) dated October 1, 2021, was issued by the RBI reflecting the change in name of our Company. For details of changes in the name and registered office address of our Company, see "*History and Certain Corporate Matters*" on page 212 of the Red Herring Prospectus dated October 25, 2022 ("**RHP**").



**Registered Office:** H-1, C Block, Community Centre, Naraina Vihar, New Delhi - 110028, India; **Corporate Office:** Plot no. 86, Institutional Sector 32, Gurugram, Haryana - 122001, India.

**Contact Person:** Deepak Madaan, Company Secretary and Compliance Officer; **Tel.:** +91- 011-46646600/ +91-124-6910500;

**E-mail:** [companysecretary@fusionmicrofinance.com](mailto:companysecretary@fusionmicrofinance.com); **Website:** [www.fusionmicrofinance.com](http://www.fusionmicrofinance.com); **Corporate Identity Number:** U65100DL1994PLC061287

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF FUSION MICRO FINANCE LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [•] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [•] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 6,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE BY DEVESH SACHDEV, MINI SACHDEV, HONEY ROSE INVESTMENT LTD., CREATION INVESTMENTS FUSION, LLC, OIKOCREDIT ECONOMICAL DEVELOPMENT COOPERATIVE SOCIETY U.A., AND GLOBAL IMPACT FUNDS, S.C.A., SICAR (THE "SELLING SHAREHOLDERS"), UP TO 650,000 EQUITY SHARES, UP TO 100,000 EQUITY SHARES, UP TO 1,400,000 EQUITY SHARES, UP TO 1,400,000 EQUITY SHARES, UP TO 6,606,375 EQUITY SHARES, UP TO 5,539,091 EQUITY SHARES, RESPECTIVELY, AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

## QIB Portion: Not more than 50% of the Net Offer

**Non-Institutional Portion: Not less than 15% of the Net Offer**

**Retail Portion: Not less than 35% of the Net Offer**

**(Retail Individual Bidders are those who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in the Offer)**

**PRICE BAND: ₹350 TO ₹368 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.**

**THE FLOOR PRICE IS 35.00 TIMES THE FACE VALUE OF THE EQUITY SHARES AND**

**THE CAP PRICE IS 36.80 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

**BIDS CAN BE MADE FOR A MINIMUM OF 40 EQUITY SHARES AND IN MULTIPLES OF 40 EQUITY SHARES THEREAFTER.**

- **The Weighted Average Cost acquisition of all Equity Shares transacted in last three years and one year preceding the date of the RHP:**

Period	Weighted Average Cost of Acquisition (in ₹)	Upper End of the Price Band (₹ 368) is 'X' times the Weighted Average Cost of Acquisition	Range of Acquisition Price: Lowest Price - Highest Price (in ₹)
Last 1 year	Nil	Nil	Nil
Last 3 years	290.48	1.27	Nil

\* Weighted average cost means total Equity Share capital including securities premium issued during last one year and three years preceding the date of the Red Herring Prospectus divided by total number of Equity Shares.

- The Price/Earnings ratio based on diluted EPS for Fiscal 2022 for our Company at upper end of the Price Band is 139.39 and Price/Earnings ratio of the average industry peer group as on the date of RHP is 114.50 .
- Weighted Average Return on Net Worth for Fiscals 2022, 2021 & 2020 is 2.96% and Return on Net Worth for the three months period ended June 30, 2022 is 5.30% (not annualised).
- Average cost of acquisition of Equity Shares for the Selling Shareholders ranges from ₹ 16.02 per Equity Share to ₹ 194.94 per Equity Share and Offer Price at upper end of the Price Band is ₹ 368 per Equity Share.

- An increase in the level of our NPAs or our provisions may adversely affect our business, financial condition, results of operations and cash flows. We made provisions with respect to our NPA portfolio (i.e. Stage III assets) of 63.32%, 54.56%, 71.26%, 60.00% and 66.07% in the three months ended June 30, 2022 and 2021, and the financial years 2022, 2021 and 2020, respectively. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be.
- As of June 30, 2022, our borrowers are served across 19 states, with major concentration in 5 states i.e. Bihar, Uttar Pradesh, Odisha, Madhya Pradesh and Tamil Nadu, amounting to 66.12% of our AUM.
- A large portion of our collections and disbursements from customers are in cash, exposing us to certain operational risks, such as risk of theft, fraud, misappropriation or unauthorized transactions. For the three months ended June 30, 2022 and the financial years 2022, 2021 and 2020, ₹723.85 million, ₹3,392.84 million, ₹3,729.39 million, ₹15,946.42 million respectively, loans were disbursed through cash. For the same periods, ₹15,269.03 million, ₹46,482.43 million, ₹32,540.53 million and ₹31,874.18 million, respectively, of our collections were in cash. We have experienced certain instances of misappropriation or unauthorized transactions by certain employees over the last three financial years and the three months ended June 30, 2022, including cash embezzlements which (i) aggregated to an amount of ₹3.03 million, out of which ₹1.52 million had been recovered, during the three months ended June 30, 2022, (ii) aggregated to an amount of ₹12.67 million, out of which ₹5.96 million had been recovered, during the financial year 2022, (iii) aggregated to an amount of ₹9.77 million, out of which ₹5.18 million had been recovered, during the financial year 2021 and (iv) aggregated to an amount of ₹5.01 million, out of which ₹2.12 million had been recovered, during the financial year 2020. During the last three financial years and the three months ended June 30, 2022, we registered 141 cases of theft and robbery, which were for an aggregate amount of ₹11.67 million.
- For the three months ended June 30, 2022 and the financial years 2022, 2021 and 2020, our net interest income amounted to ₹1,846.67 million, ₹5,606.67 million, ₹4,308.93 million and ₹3,123.00 million, respectively. An increase in interest rates applicable to our liabilities, without a corresponding increase in interest rates applicable to our assets, will result in a decline in our net interest income. Changes in market interest rates affect the interest rates we charge on our loans differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our loans.
- The Four BRLMs associated with the Offer have handled 74 public issues in the past three Fiscal Years, out of which 24 issues closed below the offer price on the listing date.

Name of BRLMs	Total Issues	Issues closed below IPO Price on listing date
ICICI Securities Limited*	23	9
CLSA*	1	-
IIFL*	10	5
JM Financial*	11	-
Common Issues of above BRLMs	29	10
Total	74	24

## BID/OFFER PROGRAMME

**ANCHOR INVESTOR BIDDING DATE: TUESDAY, NOVEMBER 1, 2022**

**BID/OFFER OPENS ON : WEDNESDAY, NOVEMBER 2, 2022\***

**BID/OFFER CLOSES ON : FRIDAY, NOVEMBER 4, 2022<sup>^</sup>**

**THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE**

\*Our Company through its IPO Committee, may, in consultation with the BRLMs, consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.

<sup>^</sup> UPI mandate end time and date shall be at 5 p.m. on Bid/Offer Closing Date i.e. Friday, November 4, 2022.



...continued from previous page.

The Offer Price will be determined by our Company through the IPO Committee, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 35.00 times the face value at the lower end of the Price Band and 36.80 times the face value at the higher end of the Price Band. Investors should also refer to the sections “Risk Factors”, “Our Business”, “Financial Statements” and “Management Discussion and Analysis” on pages 27, 171, 248 and 331 of the RHP, respectively, to have an informed view before making an investment decision.

**Qualitative Factors:** Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are: • our well diversified and extensive pan-India presence; • our proven execution capabilities with strong rural focus; • access to diversified sources of capital and effective asset liability management; • robust underwriting process and risk management policies; • technologically advanced operating model; and • stable and experienced management team supported by marquee investors.

For further details, please see “Our Business – Competitive Strength” on page 174 of the RHP.

**Quantitative factors:** Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements. For details, see “Financial Statements” on page 248 of the RHP.

Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

#### 1. Basic and Diluted Earnings Per Equity Share (“EPS”)

Financial Period	Basic EPS <sup>(1)</sup> (₹)	Diluted EPS <sup>(2)</sup> (in ₹)	Weightage
Financial Year ended March 31, 2022	2.67	2.64	3
Financial Year ended March 31, 2021	5.56	5.49	2
Financial Year ended March 31, 2020	10.47	10.32	1
<b>Weighted Average</b>	<b>4.93</b>	<b>4.87</b>	
For the three months period ended June 30, 2022*	9.07	8.98	-
For the three months period ended June 30, 2021*	0.56	0.55	-

<sup>(1)</sup> Basic EPS (₹) = Basic earning per share are calculated by dividing the net restated profit or loss for the period/year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period/year.

<sup>(2)</sup> Diluted EPS (₹) = Diluted earning per share are calculated by dividing the net restated profit or loss for the period/year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period/year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the period/year.

\* Not annualised

**Notes:** 1. Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 ‘Earning per Share’. 2. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period. 3. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

#### 2. Price to Earning (“P/E”) Ratio in relation to the Offer Price of our Company

Particulars	P/E ratio at the lower end of the Price Band (number of times)	P/E ratio at the higher end of the Price Band (number of times)
Based on Basic EPS for the financial year ended March 31, 2022	131.09	137.83
Based on Diluted EPS for the financial year ended March 31, 2022	132.58	139.39

#### Industry Peer Group P/E Ratio

Based on the peer group information (excluding Company) given below in this section, the highest P/E ratio is 342.44, the lowest P/E ratio is 20.21 and the average P/E ratio is 114.50.

Particulars	P/E Ratio	Name of the company	Face value of Equityshares (in ₹)
Highest	342.44	Ujivan Small Finance Bank Limited	10
Lowest	20.21	Credit Access Grameen	10
Industry Composite	114.50		10

**Notes:** 1. The highest and lowest industry P/E shown above is based on the peer set provided below under “Comparison of Accounting ratios with listed industry peers”. The industry average has been calculated as the arithmetic average P/E of the peer set provided below.

2. P/E figures for the peer are computed based on closing market price as on October 12, 2022, on NSE, divided by Basic EPS (on consolidated basis) for the Financial Year ending March 31, 2022.

### BASIS FOR OFFER PRICE

#### 3. Price/Book (“P/B”) Ratio

##### Industry Peer P/B Ratio

Based on the peer group information (excluding Company) given below in this section, the highest P/B ratio is 3.88, the lowest P/B ratio is 0.68 and the average P/B ratio is 1.88.

Particulars	Industry Peer P/B	Name of the company	Face value of Equityshares (in ₹)
Highest	3.88	Credit Access Grameen Limited	10.00
Lowest	0.68	Suryoday Small Finance Bank Limited	10.00
Average	1.88		

**Notes:** The industry high and low have been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/B of the industry peer provided in Table 6 below.

#### 4. Average return on Net Worth (RoNW)

Particulars	RoNW (%)	Weightage
Financial Year ended March 31, 2022	1.63%	3
Financial Year ended March 31, 2021	3.53%	2
Financial Year ended March 31, 2020	5.81%	1
<b>Weighted Average</b>	<b>2.96%</b>	
For the three months period ended June 30, 2022*	5.30%	-
For the three months period ended June 30, 2021*	0.35%	-

Return on Net Worth (%) = Profit for the period/year divided by Total Equity at the end of the period/year derived from Restated financial statements.

<sup>(1)</sup> Total Equity has been computed as the aggregate of equity and other equity derived from Restated financial statements. <sup>(2)</sup> Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each year] / [Total of weights]. <sup>(3)</sup> For a detailed calculation of our Return on Net Worth, see “Other Financial Information – Non-GAAP Reconciliation” on page 325 of the RHP.

\* Not annualised

#### Reconciliation of RoNW

Particulars	Restated Net Worth (₹ in million)	Restated Profit after tax** (₹ in million)	RoNW (%)
Financial Year ended March 31, 2022	13,379.51	217.55	1.63%
Financial Year ended March 31, 2021	12,463.55	439.44	3.53%
Financial Year ended March 31, 2020	11,988.89	696.10	5.81%
For the three months period ended June 30, 2022*	14,164.65	751.02	5.30%
For the three months period ended June 30, 2021*	12,516.51	44.11	0.35%

**Note:** RoNW is computed as net profit after tax divided by closing net worth.

\* Not annualised

\*\*Restated Profit after tax denotes Profit for the period/year as derived from Restated Financial Statements.

#### 5. Net Asset Value (“NAV”) per Equity Share (Face value of ₹ 10)

Fiscal/period ended	NAV (₹)
As at June 30, 2022*	171.10
As at March 31, 2022*	161.67
After the completion of the Offer	At the Floor Price: 200.13 At the Cap Price: 201.81
Offer Price*	●

\*will be populated in the Prospectus.

**Notes:** <sup>(1)</sup> Offer Price per Equity Share will be determined on conclusion of the Book Building Process. <sup>(2)</sup> Net Asset Value per Equity Share = Total Equity derived from the Restated Financial Statements / number of equity shares outstanding as at the end of period/year. <sup>(3)</sup> For a detailed calculation of our Net Asset Value per Equity Share, see “Other Financial Information – Non-GAAP Reconciliation” on page 321 of the RHP. <sup>(4)</sup> Total Equity has been computed by aggregating equity share capital and other equity

#### \*Reconciliation of Net Asset Value per Equity Share

Particulars	Total Equity (₹ in million)	Number of Equity Shares Outstanding	Net Asset Value per Equity Share
Financial Year ended March 31, 2022	13,379.51	82,760,403	161.67
Financial Year ended March 31, 2021	12,463.55	82,585,762	150.92
Financial Year ended March 31, 2020	11,988.89	82,498,852	145.32
For the three months period ended June 30, 2022	14,164.65	82,784,498	171.10
For the three months period ended June 30, 2021	12,516.51	82,614,502	151.50

FOR FURTHER DETAILS, SEE “BASIS FOR OFFER PRICE” BEGINNING ON PAGE 107 OF THE RHP.

#### 6. Comparison of Accounting Ratios with Listed Industry Peers as at/for the year ended March 31, 2022

Name of the company	Total income (₹ in million)	Face Value (₹)	P/E	Earning per share (Basic) (₹)	Earning per share (Diluted) (₹)	RoNW (%)	Net asset value per equity share (₹)
Fusion Micro Finance Limited*	12,013.49	10	NA	2.67	2.64	1.63	161.67
<b>Listed Peers</b>							
Credit Access Grameen Limited**	27,501.30	10.00	42.60	23.31	23.22	8.98	255.19
Spandana Spahoorty Financial Limited**	14,800.35	10.00	52.76	10.75	10.72	2.26	447.21
Bandhan Bank Limited**	1,66,939.43	10.00	342.44	0.78	0.78	0.72	107.91
Ujivan Small Finance Bank Limited**	31,260.74	10.00	*NM	(2.40)	(2.40)	(14.79)	16.22
Equitas Small Finance Bank Limited	39,972.26	10	20.21	2.43	2.4	6.61	33.91
Suryoday Small Finance Bank Limited**	10,353.79	10.00	*NM	(8.76)	(8.76)	(6.18)	141.78

#Not Meaningful

**Notes:** \* Financial information for Fusion Micro Finance Limited is derived from the Restated Financial Statements for the period ended June 30, 2022.

\*\*All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges

(1) Basic EPS refers to the Basic EPS sourced from the financial results of the respective company for the year ended March 31, 2022. (2) P/E Ratio has been computed based on the closing market price of equity shares on NSE on October 12, 2022 divided by the Basic EPS provided under Note 1. (3) RoNW is computed as net profit after tax divided by Total Equity. (4) Total Equity includes equity share capital and other equity derived from our Restated Financial Statements as of the last day of the relevant year. (5) Net Asset Value per Equity Share is computed as the Total Equity divided by the equity shares outstanding as on March 31, 2022.

#### 7. ECL % w.r.t total loans and Gross NPA (GNPA)% for last 3 FYs in comparison with its listed peers

	ECL (%)			GNPA (%)		
Name of the Company	FY20	FY21	FY22	FY20	FY21	FY22
Fusion Micro Finance Limited*	3.0%	5.4%	6.7%	1.1%	5.5%	5.7%
<b>Listed Peers**</b>						
Equitas Small Finance Bank Limited	1.8%	2.2%	2.6%	3.0%	3.7%	4.1%
Ujivan Small Finance Bank Limited	1.4%	5.4%	6.9%	0.97%	7.1%	7.1%
Credit Access Grameen Limited	2.5%	6.0%	4.0%	1.6%	4.4%	3.6%
Spandana Spahoorty Financial Limited	4.9%	8.5%	6.3%	0.5%	3.1%	15.0%
Bandhan Bank Limited	2.4%	4.8%	8.5%	1.5%	6.8%	6.5%
Suryoday Small Finance Bank Limited	4.5%	4.2%	8.5%	2.8%	9.4%	11.8%

\*ECL % is Impairment on loan portfolio to Average gross loan portfolio derived from Restated Financial Statements for the period ended June 30, 2022

Gross NPA ratio represents Stage III Assets (Gross NPAs) as of the last day of the relevant year as a percentage of term loans (gross) for such year derived from our Restated Financial Statements for the period ended June 30, 2022

\*\*All the financial information for listed industry peers mentioned above is populated from Investor presentations and Financial Results submitted by respective peer

**Note:** (1) For a detailed calculation of our Impairment on loan portfolio to Average gross loan portfolio see “Other Financial Information – Non-GAAP Reconciliation” on page 328 of the RHP.

#### The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company through the IPO Committee, in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 27, 171, 248 and 331, of the RHP, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 27 and you may lose all or part of your investments.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company through its IPO Committee may, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIB Portion”), provided that our Company through its IPO Committee in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (“Non-Institutional Portion”) of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with a Bid size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts and UPI ID (in case of RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “Offer Procedure” on page 414 of the RHP.


**Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’/Applicants’ sole risk. Investors must ensure that their PAN is linked with Aadhaar**

**ASBA**<sup>#</sup>

Simple, Safe,  
Smart way of Application!!!

<sup>#</sup> Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

**Mandatory in public issues.  
No cheque will be accepted.**

**UPI**  
UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for all individual investors applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, DPs & RTAs. Retail Individual Investors and Non-Institutional Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Offer Procedure - Offer Procedure of ASBA Bidders” beginning on page 414 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India (“AIBI”) and BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), and together with BSE, the “Stock Exchanges”) and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35) and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: [www.sebi.gov.in](http://www.sebi.gov.in). UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and HDFC Bank Limited has been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: [ipo.upi@npci.org.in](mailto:ipo.upi@npci.org.in).

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
 <b>ICICI Securities Limited</b> ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 6807 7100 E-mail : fusion.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact person: Shekhar Asnani/Gaurav Mittal Website: <a href="http://www.icicisecurities.com">www.icicisecurities.com</a> SEBI Registration: INM000011179	 <b>CLSA India Private Limited</b> 8/F Dalalshah, Nariman Point, Mumbai - 400 021 Maharashtra, India Tel: +91 22 6650 5050 E-mail : fusion.microfinance.ipo@clsacsa.com Investor grievance e-mail: investor.helpdesk@clsacsa.com Contact person: Sarfaraz Agboatwala / Prachi Chandgothia Website: <a href="http://www.india.clsacsa.com">www.india.clsacsa.com</a> SEBI Registration: INM000010619	 <b>IIFL Securities Limited</b> 10 <sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013 Maharashtra, India Tel: +91 22 4646 4728 E-mail: fusion.ipo@iiflcap.com Investor grievance e-mail : ig.ib@iiflcap.com Contact person: Pawan Jain / Dhruv Bhagwat Website: <a href="http://www.iiflcap.com">www.iiflcap.com</a> SEBI Registration: INM000010940	 <b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 6630 3030 E-mail: fusion.ipo@jmfml.com Investor grievance e-mail: grievance.ibd@jmfml.com Contact person: Prachee Dhuri Website: <a href="http://www.jmfml.com">www.jmfml.com</a> SEBI Registration: INM000010361	 <b>LINKIntime</b> Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India Tel: +91 22 4918 6200 E-mail: fusion.ipo@linkintime.co.in Investor grievance e-mail: fusion.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> SEBI Registration: INR000004058	<b>Mr. Deepak Madaan</b> Plot no. 86, Institutional Sector 32, Gurugram Haryana - 122001, India. Tel: +91-124-6910500 E-mail: <a href="mailto:companysecretary@fusionmicrofinance.com">companysecretary@fusionmicrofinance.com</a> Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

**AVAILABILITY OF THE RHP:** Investors are advised to refer to the RHP and the “Risk Factors” beginning on page 27 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and is available on the websites of the BRLMs, i.e. ICICI Securities Limited, CLSA India Private Limited, IIFL Securities Limited and JM Financial Limited at [www.icicisecurities.com](http://www.icicisecurities.com), [www.india.clsacsa.com](http://www.india.clsacsa.com), [www.iiflcap.com](http://www.iiflcap.com) and [www.jmfml.com](http://www.jmfml.com), respectively and on the websites of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

**AVAILABILITY OF BID CUM APPLICATION FORMS:** Bid cum Application Forms can be obtained from the Registered Office of **FUSION MICRO FINANCE LIMITED**, Tel.: +91- 011-46646600/ +91-124-6910500; • **BRLMs: ICICI Securities Limited**, Tel: +91 22 6807 7100; **CLSA India Private Limited**, Tel: +91 22 6650 5050; **IIFL Securities Limited**, Tel: +91 22 4646 4728 and **JM Financial Limited**, Tel.: +91 22 6630 3030; **Syndicate Member: JM Financial Services Limited**, Tel: 022-6136 3400 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

**Sub-Syndicate Members:** Almondz Global Securities Ltd., Anand Rathi Share & Stock Brokers Ltd., Axis Capital Limited, Bajaj Financial Securities Limited, Centrum Broking Ltd, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd., Edelweiss Broking Limited, Eureka Stock & Share Broking Services Ltd., Globe Capital Markets Ltd., HDFC Securities Limited, IDBI Capital Markets & Securities Limited, JM Financial Services Ltd., Jobanputra Fiscal Services Pvt. Ltd., KJMC Capital Markets Ltd., Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd., Motilal Oswal Financial Services Limited, Prabhudas Liladhar Pvt Ltd., Pravin Ratilal Share & Stock Brokers Ltd., Religare Broking Ltd., RR Equity Brokers Pvt Ltd., SBICAP Securities Ltd., Sharekhan Ltd., SMC Global Securities Ltd., Systematic Shares and Stocks (India) Limited, Tradebulls Securities Private Limited, Yes Securities Ltd.

**Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank :** Axis Bank Limited

**Sponsor Bank (s) :** Axis Bank Limited and HDFC Bank Limited

**UPI:** UPI Bidders can also bid through UPI Mechanism

**All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.**

**Place:** New Delhi

**Date:** October 27, 2022

**FUSION MICRO FINANCE LIMITED** is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP with RoC on October 25, 2022. The RHP shall be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), websites of the Stock Exchanges i.e. BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and is available on the websites of the BRLMs i.e. ICICI Securities Limited, CLSA India Private Limited, IIFL Securities Limited and JM Financial Limited at [www.icicisecurities.com](http://www.icicisecurities.com), [www.india.clsacsa.com](http://www.india.clsacsa.com), [www.iiflcap.com](http://www.iiflcap.com) and [www.jmfml.com](http://www.jmfml.com), respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section entitled “Risk Factors” on page 27 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940 (the “U.S. Investment Company Act”) in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the