

**SHELF DISCLOSURE DOCUMENT**



**AROHAN FINANCIAL SERVICES LIMITED**

A public limited company incorporated under the Companies Act, 1956

**Date of Incorporation:** September 27, 1991; **CIN:** U74140WB1991PLC053189

**Registered Office:** PTI Building, 4th Floor, Blok DP, DP-9, Sector V, Salt Lake City, Kolkata - 700091, West Bengal

**Telephone No.:** +91 33 4015 6000

**Website:** <https://www.arohan.in/>

**SHELF DISCLOSURE DOCUMENT UNDER COMPANIES ACT 2013 AND RULES FRAMED THEREUNDER, SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AMENDED FROM TIME TO TIME AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND RBI CIRCULAR FOR RAISING MONEY THROUGH PRIVATE PLACEMENT OF NON-CONVERTIBLE DEBENTURES (NCDS) BY NBFCs**

**ISSUE:** SHELF DISCLOSURE DOCUMENT (SDD) FOR THE PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" / "NCDS") OF THE FACE VALUE OF INR. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, TO BE ISSUED IN ONE OR MORE SERIES, AGGREGATING UPTO INR. 175,00,00,000/- (RUPEES ONE HUNDRED SEVENTY-FIVE CRORES ONLY).

**GENERAL RISKS:** For taking an investment decision, investors must rely on their own examination of the Issue and the Shelf Disclosure Document including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India nor does SEBI guarantee the accuracy or adequacy of this Shelf Disclosure Document. Specific attention of investors is invited to statement of Risk Factors contained under Section 3 of this Shelf Disclosure Document.

**ISSUER'S ABSOLUTE RESPONSIBILITY:** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue and as required under the Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Section 42 of the Companies Act, 2013 and the rules framed thereunder, that the information contained in this Shelf Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**CREDIT RATING:** The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("Rating Agency"). The Rating Agency has assigned a rating of "CARE A- (Outlook: Stable)" (pronounced as "CARE Single A Minus" with Stable Outlook) in respect of the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc. Please refer to Annexure III of this Shelf Disclosure Document for the letter from the Rating Agency assigning the credit rating abovementioned issued by the Rating Agency.

**LISTING:** The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited ("BSE").

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**Registrar and Transfer Agent**

Link Intime India Pvt Limited

C 101, 247 Park,

L.B.S. Marg,

Vikhroli (West),

Mumbai - 400083

Tel: +91- 022 - 4918 6270

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: <https://linkintime.co.in/>

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**Debenture Trustee**

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor

17, R. Kamani Marg,

Ballard Estate, Mumbai

Maharashtra -400001

Tel.: +91-22-40807000; Fax: +91-22-66311776

Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

Website: <https://idbitrustee.com/>

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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Shelf Disclosure Document. Any capitalized terms used but not defined herein shall have the meanings given to them in the Debenture Trust Deed.

Act or Companies Act	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time and shall include the rules made thereunder
Adjusted Return on Assets	For any period means (x) the Company's net income over the preceding period plus Loan Loss Reserves less the sum of Portfolio at Risk Over 30 Days divided by (y) its average Assets over that same period
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue.
Application Form	The form used by the recipient of this Shelf Disclosure Document to apply for subscription to the Debentures
Applicant	Means a person who has submitted a completed Application Form to the Company.
Application Money	Means the subscription monies paid by the Applicants at the time of submitting the Application Form
Assets	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP at such date
Assets Under Management	Means, the loan and investment receivables on the balance sheet of the Issuer, plus the loan receivables originated and serviced by the Issuer and securitised / assigned over time, plus the loan receivables originated and serviced by the Issuer on the balance sheet of another financial institution.
Beneficial Owner(s)	Means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository in the Register of Beneficial Owners.
Board/Board of Directors	The Board of Directors of the Issuer
BSE	Means BSE Limited
Business Day	Any day of the week, (excluding Sundays and any day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881), on which banks are normally open for business in Mumbai.
Capital Adequacy Ratio	Means the capital adequacy ratio prescribed by the RBI for NBFC from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Client Loan	Means each loan made by the Company as a lender under " <b>Client Loans</b> " shall refer to the aggregate of such loans.
CITES	Means the Convention on International Trade in Endangered Species or Wild Fauna and Flora, including the protected flora and faunae as demonstrated on the website: <a href="http://www.cites.org">www.cites.org</a>
Constitutional Documents	Means the memorandum of association and the articles of association of the Company
Control	Shall have the meaning as ascribed to the term in the Companies Act, 2013.
Current Assets	Means financial assets on the balance sheet that shall realise cash within 12 months of the relevant date, or expenses that are paid upfront.
Current Liabilities	Means financial and operational liabilities that are payable within 12 months of the relevant date.
Debentures / NCDs	Secured Rated Listed, Redeemable Non-Convertible Debentures bearing a face value of INR. 10,00,000/- (Rs. Ten Lakhs Only) each, aggregating upto INR. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only) in one or more Series/ Tranches
Debenture Holders / Investors	The holders of the Debentures by the Issuer and means the persons who are, for the time being and from time to time, the holders of the Debentures and whose names appear in the Register of Beneficial Owners
Deemed Date of Allotment	The Deemed Date of Allotment of the Debentures comprised in each Series will be as specified in Issue Addendum issued for that Series.
Debenture Trustee	IDBI Trusteeship Services Limited or such other SEBI registered Debenture Trustee appointed by the Issuer from time to time



Debenture Trustee Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time).
Debenture Trustee Agreement	Agreement executed or to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	The debenture trust deed executed or to be executed by and between the Issuer and Debenture Trustee which sets out the terms upon which the Debentures are being issued and includes the representations, warranties and covenants being provided by the Issuer.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Debenture Trustee Agreement	Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	The depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, with whom the Company has made arrangements for dematerialising the Debentures, being CDSL and NSDL.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Disclosure Document	Means collectively the Shelf Disclosure Document and the Term Sheet/Addendums
DP ID	Depository Participant Identification Number.
Due Date	Means the date on which any interest or liquidated damages, any redemption or premature redemption amount and all other monies payable, are due and payable. If the due date in respect of any interest (other than the final instalment of interest) or liquidated damages and all other monies payable under the Debentures falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. Further, if the due date in respect of the final instalment of interest or any redemption or premature redemption amount falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment
Eligible Investors	Shall have the meaning specified in Clause 7.14 below
Exclusion List	Means any activity including (a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES, (b) production or trade in weapons and munitions, (c) production or trade in alcoholic beverages (excluding beer and wine), (d) production or trade in tobacco, (e) gambling, casinos and equivalent enterprises, (f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment), (g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%), (h) drift net fishing in the marine environment using nets in excess of 2.5 km. in length, (i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labour, (j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products), (k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples, (l) which may result in funding or supporting any individual or organization designated as: (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions';
EFT	Electronic Fund Transfer



Financial Year/FY	12 (twelve) month period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Redemption Date	Means the maturity date of the Debentures when they are redeemed. Kindly refer Term Sheet for the respective Series for final redemption date.
Final Settlement Date	Means the date on which all Obligations of the Company have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Governmental Authority	Shall mean any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Law.
Gross Loan Portfolio	Means the outstanding principal balance of all of the Company's outstanding Client Loans including current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, but not Client Loans that have been charged off. It does not include interest receivables and accrued interest.
Gross NPAs	Means the gross non-performing assets of the Company determined in the manner prescribed by the RBI from time to time
Issue	Secured, Rated, Listed, Redeemable, Non-convertible Debentures each having a face value of INR. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating upto INR. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only) for cash at par, in dematerialized form on a private placement basis to certain identified investors, in one of or more series /tranches.
Issuer/ Company	<b>Arohan Financial Services Limited</b>
Interest/Coupon	Means the interest payable on the Debentures on the Interest Payment Dates, at the Interest Rate or the Revised Interest Rate as the case may be.
Interest Rate/Coupon Rate	In relation to any Series, means rate of interest as specified in the relevant Term Sheet for any particular Series on a per annum basis as specifically mentioned in respective Term Sheet for each Series
Interest Payment Date(s)/ Coupon Payment Date(s)	Means Payment dates on which Interest payable on the Debentures, more is specifically mentioned in respective Term Sheet for each Series.
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
Indian Accounting Standard (IND AS)	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
Law	Means any applicable law, code, ordinance, interpretation, guideline, directive, judgment, injunction, decree, treaty, regulation, rule or order of any court, tribunal or Governmental Authority, for the time being in force in India
Liability	Means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date
LODR Regulations	Means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Liability	For any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date.
Majority Debenture Holders	Means such number of Debenture Holders collectively holding equal to or more than 50% (Fifty percent) of the value of the Outstanding Principal Amounts of the Debentures
Majority Resolution	Means resolution approved Majority Debenture Holders, either in a poll or in a meeting of the Debenture Holders.
Material Adverse Effect	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
N.A.	Not Applicable



NBFC	Non-Banking Financial Company
NBFC Master Circular	Means the Master Direction for Non-Banking Financial Company prescribed by the RBI from time to time, as may be applicable
Non-Performing Assets/NPA	Means the aggregate of all loans, bonds and other credit facilities provided by the Issuer where one or more repayment instalments are overdue as per the threshold limits prescribed by RBI from time to time. Under IND AS accounting norms, this shall mean the total of Stage 3 assets, as defined from time to time
NSDL	Means National Securities Depository Limited
Net Owned Funds	Shall have the same meaning ascribed to it under Section 45IA of the RBI Act, 1934
Off Balance Sheet Portfolio	Shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever
Obligations	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Debenture Trustee under the Debenture Trust Deed and the other Transaction Documents, including without limitation, the redemption of the Debentures, the payment of any interest on the Debentures, and all costs, charges, expenses and other monies payable by the Company under the Transaction Documents
Outstanding Principal Amounts	Means, at any date, the Local Currency principal amount outstanding under the Debentures
Outstanding Amounts	Means the Outstanding Principal Amounts, together with all interest, fees, costs, commissions, charges, Trustee fees and other amounts due and payable by the Company under or in respect of the Trust Deed or any Transaction Document
PAN	Permanent Account Number.
Payment Default	Means nonpayment on the Due Date any amount payable pursuant to the Debentures at the place at and in the currency in which it is expressed to be payable.
Payment Obligations	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under this Deed and shall include the obligation to redeem the Debentures in terms thereof, any outstanding remuneration of the Debenture Trustee, default interest payable, if any, and all fees, costs, charges and expenses and other monies payable by the Company under the Transaction Documents
Person	Shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof
Portfolio at Risk or "PAR"	Shall mean the aggregate of (a) all Client Loans including owned and managed portfolio and other credit facilities provided by the Company where one or more repayment instalments are overdue by the PAR Days or more; and (b) all Client Loans and other credit facilities in respect of which the payment schedule have deferred, rescheduled, restructured and/or refinanced.
Portfolio At Risk Over 90 Days	Means, on the Issuer's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Issuer.
Purpose	The Company shall utilise the moneys received shall be utilized for on lending purpose towards various classes of loan products of the Company, including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, et cetera. Up to 90 days (from the deemed date of allotment) will be allowed for utilization
Rating Agency	<b>CARE Ratings Ltd</b> or such other SEBI registered Credit rating agency from time to time
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Redemption Amount	With respect to each Series/Tranche, shall mean the amount to be paid by the Company to the Debenture Holder(s) at the time of the redemption of the Debentures and shall include the Outstanding Principal Amount(s), redemption





	premium (if any), the accrued Coupon, default interest (if any), additional interest (if any), and any other amounts, if any, in respect of the Debentures, payable on each of the Redemption Date(s) as shall be specified in the Issue details.
Redemption Date(s)	Shall with respect to each Series/Tranche, shall mean the date(s) on which the Redemption Amount(s) for the Debentures shall be redeemed by the Company as shall be specified in the Issue details;
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being <b>Link Intime India Private Limited</b>
Restructured Portfolio	Means with respect to the Company, the outstanding principal balance of all past due Client Loans that have been renegotiated or modified to either lengthen or postpone the originally scheduled instalments of principal, or to substantially alter the original terms, of such Client Loans.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
Special Majority Debenture Holders	Means such number of Debenture Holders collectively holding equal to or more than 75% (Seventy Five percent) of the value of the Outstanding Principal Amounts of the Debentures
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
SEBI LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
TDS	Tax Deducted at Source.
Total Assets	Means for any date of determination, the total Assets of the Company on such date
Total Liabilities	Means for any date of determination, the total Liabilities of the Company on such date
Tax	Means any present or future tax, levy, duty, charge, fees, deductions, withholdings, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Company in respect of the Debentures
Term Sheet / Issue Addendum	Shall mean a document issued in respect of a Series of the Debentures which mentions key terms of the Debentures issued under a particular Series, including inter alia, interest rate, allotment date, maturity date, credit rating, covenants if any and shall include amendments made thereto from time to time
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents
Transaction Documents	has the meaning ascribed to the term in Clause SECTION 5:5.1 below
WDM	Wholesale Debt Market.
Wilful Defaulter	An Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.



## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

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

As per the applicable provisions, it is not necessary for a copy of this Shelf Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. However pursuant to the provisions of Section 31 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Shelf Disclosure Document shall be filed with the SEBI within the stipulated timelines under the Act.

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

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

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

**This Shelf Disclosure Document and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Shelf Disclosure Document are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

No invitation is being made to any persons other than those to whom Application Forms along with this Shelf Disclosure Document being issued have been sent. Any application by a person to whom the Shelf Disclosure Document has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Shelf Disclosure Document shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information





related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Shelf Disclosure Document may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Shelf Disclosure Document) without retaining any copies hereof. If any recipient of this Shelf Disclosure Document decides not to participate in the Issue, that recipient must promptly return this Shelf Disclosure Document and all reproductions whether in whole or in part and any other information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Shelf Disclosure Document to reflect subsequent events after the date of Shelf Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Shelf Disclosure Document nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

## **2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES**

As required, a copy of this Shelf Disclosure Document has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Shelf Disclosure Document to the BSE should not in any way be deemed or construed to mean that this Shelf Disclosure Document has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Disclosure Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

## **2.3 DISCLAIMER CLAUSE OF SEBI**

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

## **2.4 DISCLAIMER CLAUSE OF RBI**

The Issuer has obtained a certificate of registration issued by the RBI to carry financing activities. However, a copy of this Shelf Disclosure Document has not been filed with or submitted to the RBI. It is distinctly understood that this Shelf Disclosure Document should not in any way be deemed or construed to be approved or vetted by RBI. RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer. By issuing the aforesaid certificate of registration to the Issuer, RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any Investor in respect of the Debentures.

## **2.5 DISCLAIMER CLAUSE OF THE SOLE ARRANGER**

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Shelf Disclosure Document. The only role of the Sole Arranger with respect to the



Debentures is confined to arranging placement of the Debentures on the basis of this Shelf Disclosure Document as prepared by the Issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Shelf Disclosure Document. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Shelf Disclosure Document, nor it is responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Shelf Disclosure Document. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Shelf Disclosure Document. It is to be distinctly understood that the aforesaid use of this Shelf Disclosure by the Sole Arranger should not in any way be deemed or construed to mean that the Shelf Disclosure Document has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Shelf Disclosure Document in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Shelf Disclosure Document.

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Shelf Disclosure Document does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Shelf Disclosure Document. The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Shelf Disclosure Document. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Shelf Disclosure Document or for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Shelf Disclosure Document or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Shelf Disclosure Document. The receipt of this Shelf Disclosure Document by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other person for providing the protection afforded to the customers of the Sole Arranger nor for providing advice in relation to the Debentures

Each recipient of this Shelf Disclosure Document acknowledges that:

- a. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- b. such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

## **2.6 DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Shelf Disclosure Document, who shall be/have been identified upfront by the Issuer. This Shelf Disclosure Document does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non-exclusive jurisdiction of the courts and tribunals at Mumbai / Kolkata. This Shelf Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

## **2.7 DISCLAIMER IN RESPECT OF RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any



errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

## **2.8 ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

## **2.9 FORWARD LOOKING STATEMENTS**

All statements in this Shelf Disclosure Document that are not statements of historical fact constitute “forward looking statements”. All statements regarding the Issuer’s expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Shelf Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward-looking statements, if any, contained in this Shelf Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Shelf Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements



## SECTION 3: RISK FACTORS

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

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

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

### 3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

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

### 3.3 CREDIT RISK & RATING DOWNGRADE RISK

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

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

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

### 3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

### 3.6 ACCOUNTING CONSIDERATIONS

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

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

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

### 3.8 LEGALITY OF PURCHASE



Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

### 3.9 POLITICAL AND ECONOMIC RISK IN INDIA

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

### 3.10 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- a. ***The Issuer's loans are secured against hypothecation of assets created out of the NCD issue proceeds for minimum 1.10 times the NCD outstanding-. The said assets would belong to various classes of loan products of the Company including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, et cetera. Up to 90 days' time (from the deemed date of allotment) to be allowed for creation of the said assets. These loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

The Issuer has a various procedures and process controls in place to mitigate the risk

As at December 31, 2019, the gross NPA was 40.17 crore on a gross portfolio of Rs. 4646.13 Crores (including managed / assigned portfolio of Rs. 569.96 Crores).

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

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

- b. ***The Issuer's business operates through a large number of branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement arising out its operations as a fin-tech company. This could harm its operations and its financial position.

The Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the



risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

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

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

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

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

d. ***The Issuer is exposed to certain political, regulatory and concentration risks***

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

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

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

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

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

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

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





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

- g. ***Microcredit lending poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-offs that negatively impact results of operations.***

The Issuer's core mission is to provide loans to fund the small businesses and other income generating activities of members. Issuer's members are typically low-income earning and illiterate women living in urban India, who have limited sources of income, savings and credit histories, and who cannot provide us with any collateral or security for their borrowings. Issuer also disburses loans to members in the event of emergencies, such as pregnancy, funerals and natural disasters. Any downturn in the area of activity by members could adversely affect the ability of members to make loan repayments on time and in turn negatively impact the Issuer's operations. As a result, Issuer's members pose a higher risk of default than borrowers with greater financial resources and more established credit histories and borrowers living in urban areas with better access to education, employment opportunities, and social services. In addition, Issuer relies on non-traditional guarantee mechanisms in connection with loan products, which are generally secured by informal individual and group guarantees, rather than tangible assets. As a result, loan products pose a higher degree of risk than loans secured with physical collateral. Due to the precarious circumstances of members and non-traditional lending practices the Issuer may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations. Although the Issuer has separated sales from credit risk department, with the objective of ensuring better credit evaluation of the customer, and credit enhancement happens by way of guarantee of loan to an individual member of a group by all the other members of the group such that the ability to repay the loan is taken care of by internal credit evaluation and intention to repay is taken care of by the mutual guarantee of group members, there can be no assurance that the credit evaluation and credit enhancement measures and initiatives undertaken by, and for the benefit of, the Issuer will be successful in maintaining or improving the quality of the Issuer's loan portfolio.

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

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (in terms of the 'NBFC-MFI Directions, 2011', as modified from time to time) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further such approvals, licenses, registrations and permissions must be maintained /renewed over time. Applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee-based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof in a timely manner or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain in the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for noncompliance.

- i. ***Competition from the banks and financial institutions as well as state-sponsored social programs, may adversely affect our profitability position in the Indian lending industry***



The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes have greater assets and better access to and lower cost of funding than the issuer. In certain areas, they may also have better name recognition and larger member base than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.



## SECTION 4: REGULATORY DISCLOSURES

The Shelf Disclosure Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and, in this Section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

### 4.1 Documents Submitted to the Exchanges

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

- a. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- b. Copy of last 3 (Three) years audited Annual Reports;
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- d. Copy of the Board Resolution dated May 21, 2020 authorizing the issue of non-convertible debentures and list of authorized signatories;
- e. Certified true copy of the shareholders resolution passed by the Company at the Annual General Meeting held on August 05, 2019 authorising the Company to borrow under Section 180(1)(c) upon such terms as the Board may think fit, upto an aggregate limit of Rs. 7500 Crores;
- f. Certified true copy of the shareholders resolution passed by the Company at the Annual General Meeting held on August 05, 2019 authorising the Company to create security in respect of borrowings under Section 180(1)(a) of the Companies Act 2013;
- g. Certified true copy of the shareholders resolution passed by the Company at the Annual General Meeting held on August 05, 2019 authorising the Company to issue non-convertible debentures upon such terms as the Board may think fit;
- h. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, within 5 (five) working days of execution of the same;
- i. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- j. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### 4.2 Documents Submitted to Debenture Trustee

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

- a. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- b. Copy of last 3 (Three) years audited Annual Reports;
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- d. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- e. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ uniform listing agreement issued by SEBI on October 13, 2015 as amended, replaced or restated from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.



#### 4.3 Name and Address of Registered Office of the Issuer

Name:	Arohan Financial Services Limited
Registered & Corporate Office:	PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091
Compliance Officer of Issuer:	Mr. Anirudh Singh G. Thakur, Company Secretary
CFO of Issuer:	Mr. Milind Ramchandra Nare
Registration Number:	B.05.02932
CIN:	U74140WB1991PLC053189
Phone No.:	+91 – 44-43414505
Contact Person:	Mr. Anirudh Singh G Thakur
Email:	<a href="mailto:compliance@arohan.in">compliance@arohan.in</a>
Website of Issuer:	<a href="http://www.arohan.in">www.arohan.in</a>
Auditors of the Issuer:	Walker Chandiok & Co LLP. 10C, Hungerford Street, 6 <sup>th</sup> Floor, Kolkata- 700017, West Bengal
Trustee to the Issue:	IDBI Trusteeship Services Limited Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate, Mumbai Maharashtra -400001 Tel.: +91-22-40807000 Fax: +91-22-66311776 Email: <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a>
Registrar to the Issue:	Link Intime India Pvt Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel: +91- 022 - 4918 6270 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="https://linkintime.co.in/">https://linkintime.co.in/</a>
Credit Rating Agency:	CARE Ratings Limited, 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022



#### 4.4 A brief summary of business / activities of the Issuer and its line of business

##### a. Overview

Arohan Financial Services Limited (Arohan) is a non-deposit taking NBFC-MFI registered with the Reserve Bank of India.

##### b. Main Objects and Business of the Issuer

Established in 2006 in Kolkata, Arohan Financial Services Limited, part of the Aavishkaar-Intellectap Group is Eastern India's largest NBFC MFI. As on December 31, 2019, the organisation is operational in fourteen states of which 11 are low-income states across the central, east and north-east India, offering financial inclusion products to nearly 2.2 million under-served clients, through 688 branches with a loan portfolio of over to INR 4646 Cr in microfinance and MSME lending. It has a bank loan rating of A- and MFI grading of MF1 from CARE Ratings. Driven by its mission to empower the underserved through a range of financial services, in a manner sustainable for all stakeholders, Arohan plans to extend its operations and aims to become one of India's 10 best places to work in.

Arohan is one of the few NBFC-MFIs in India to offer loans ranging from INR 10000 to as high as INR 100 lakh. It works with strong, local partners on the ground to further improve its reach in the remotest locations of its focused low-income geographies. Arohan also offers financial safety net products such as and non-financial products to its customers at affordable costs.

While it reaches out to the underserved with a range of low-ticket size products, it caters to the retail customer segment with its dedicated MSME lending business, Intellectcash.

Unlike many other MFIs that primarily cater to the rural population, Arohan's focus was to provide financial services to the urban and semi-urban poor, however, since the beginning of Calendar Year (CY) 2010, Arohan has been lending to borrowers in rural areas as well. Arohan offers a basket of financial services to economically backward women and men which suit their requirements. Its key focus is the group loan, for which it replicates the Grameen Bank model of lending. The Company has MFI operations in Assam, Bihar, Chhattisgarh, Jharkhand, Meghalaya, Manipur, Madhya Pradesh, Odisha, Tripura, Uttar Pradesh and West Bengal and MSME operations in Mumbai, Pune, Nagpur, Hyderabad, Bengaluru, Kolkata, Lucknow, Indore, Guwahati and Bhubaneswar cities.

##### c. Product Details

Arohan's customized lending products have been designed to meet their client's unique needs - from loan size to repayment conditions. For its 'Saraal' loan, Arohan uses a five-member group-lending model - the Joint Liability Group (JLG) model. Two to six such groups form a center. The group is formed by the borrowers in that area with similar socio-economic background, given the criteria of no blood relations in the same group, nearby residence of the members in the same group and belonging to the age group of 21-50 years. Only one loan from Arohan is permitted per family, moreover the member should be residing in the same place for at least three years. Disbursements are made in cash at the branch office to the entire group on one of the designated disbursement days. Collections are made during monthly centre meetings.

This loan ranges from USD 150 - 1000 (INR 10,000 - 75,000), and is repaid 12 to 24 months for the monthly product.

'Bazaar' loans are group loan products offered to address the working capital needs of daily market vendors, operating out of authorized market places. For 'Bazaar' loans, there is no centre formation - groups of three to five stall owners in the market-place are formed. It is compulsory for the group members to have businesses within the market, located close to each other. The loan appraisal and sanction process for 'Bazaar' loans is similar to that in case of 'Saraal' loans. Bazaar clients do not have meetings; the monthly or fortnightly instalments are collected by the FO from the respective group leaders. The borrowers in case of 'Bazaar' loans are typically involved in small trading and micro-enterprises with daily or weekly cash flows.

Arohan also offers working capital business loans to MSME segments where the ticket size ranges from INR 1 Lakhs to 100 Lakhs and the tenure from 12 to 24 Months.

Arohan also provides credit-linked life insurance products for its clients, which protects the MFI from loss on account of death of the client. In case of death of the client's spouse, the loan is written off



Type of Product	Ticket Size	Tenor	Rate of Interest	Frequency of Collection
Saral	INR 10,000 - 75,000	12-24 Months	20.65%	Monthly
Bazaar	INR 15,000 - 50,000	12-24 Months	20.70%	Monthly/Fortnightly
Premium	INR 50,000 - 2 Lakh	12-24 Months	20.70%	Monthly
Cross sell	INR 1100 - 13000	3 / 6 / 9 / 12 / 18 Months	20.65%	Monthly
Inorganic	INR 15,000 - 50,000	12-24 Months	20.7%-24.50%	Monthly/Fortnightly
MSME	INR 1 Lakh-1 Crore	6-18 Months	32.00%	Daily/ weekly/ Monthly/ Fortnightly

d. **Processes**

**Pre-meet with Customers** – Once the potential customers start approaching the Arohan branches after forming JLGs, the CSR should meet all the members of the JLGs informally before Verification and set a date for Compulsory Group Training. The Meeting should be about at least a 10-minute interaction with the prospective customers to assess their eligibility for group formation. The purpose of holding this Pre-Training Meeting is to reduce the possibility of a member being rejected at the time of customer verification and group training. During the Pre-meet, CSR conduct a CB Check using the TAB and if customer is found ok as per the CB check policy of Arohan, CSR informed the customer about the date and time of physical verification of customer.

**Verification** - The Primary objective of the physical customer verification is to get a well-rounded picture of the customer's reliability to pay the loan back within the stated time-period. In addition to other factors, this should include assessing the customer's current debt and ability to absorb the loan amount. At the same time, the CSR should assess the customer's reputation and credibility by speaking with family members, business associates or neighbours. A CSR should not assume that because a customer has repaid previous loans on time that she will do so again. Family and economic conditions change over time, which may make a previously good customer potentially high-risk during new loan cycles. The verification process should capture any change in the customer's life situation, based on which a judgment has to be made about proceeding with a new loan.

The other objective of the verification process is to support the customer in making an informed decision regarding Arohan's product offering and to educate the customer and her family of the non-credit products available from Arohan, namely insurance and consumer durables, and recommend to them that they avail of the benefits of these products to ensure long term financial stability and security of the family.

During the verification process, CSR collects the original KYC of the customers and take images of the KYC and customers using TAB. After checking the authenticity of the KYCs, and overall verification process, customers are called for CGT.

**Compulsory Group Training (CGT)** - The CGT are meant to ensure that customers are made aware of all key loan terms and conditions, Arohan's policies, and their responsibilities as a customer and JLG member. As such, it is important that each staff member take training as an important part of the loan verification process, even if the customer is a repeat customer. Economic situations change over time, and the customer must be re-trained to ensure maximum repayment.

**Group Recognition Test (GRT)** - The purpose of GRT is to assess the suitability of a JLG to borrow from Arohan. All customers must successfully pass the GRT and the household verification / shop level in order to receive a loan. In Gravity BH does the necessary input in GRT screen and also does the loan sanction in GRT screen itself.

**Loan sanction:** Only if the BH is fully satisfied with the JLGs then a loan should be sanctioned. Group formation is done after GRT. If s/he feels that in spite of the CGT and verification, it would be risky to lend to some members, then the loan should be cancelled. When satisfied with the GRT and the household verification, the BH should make the loan sanction decision and communicate the same to the JLG.

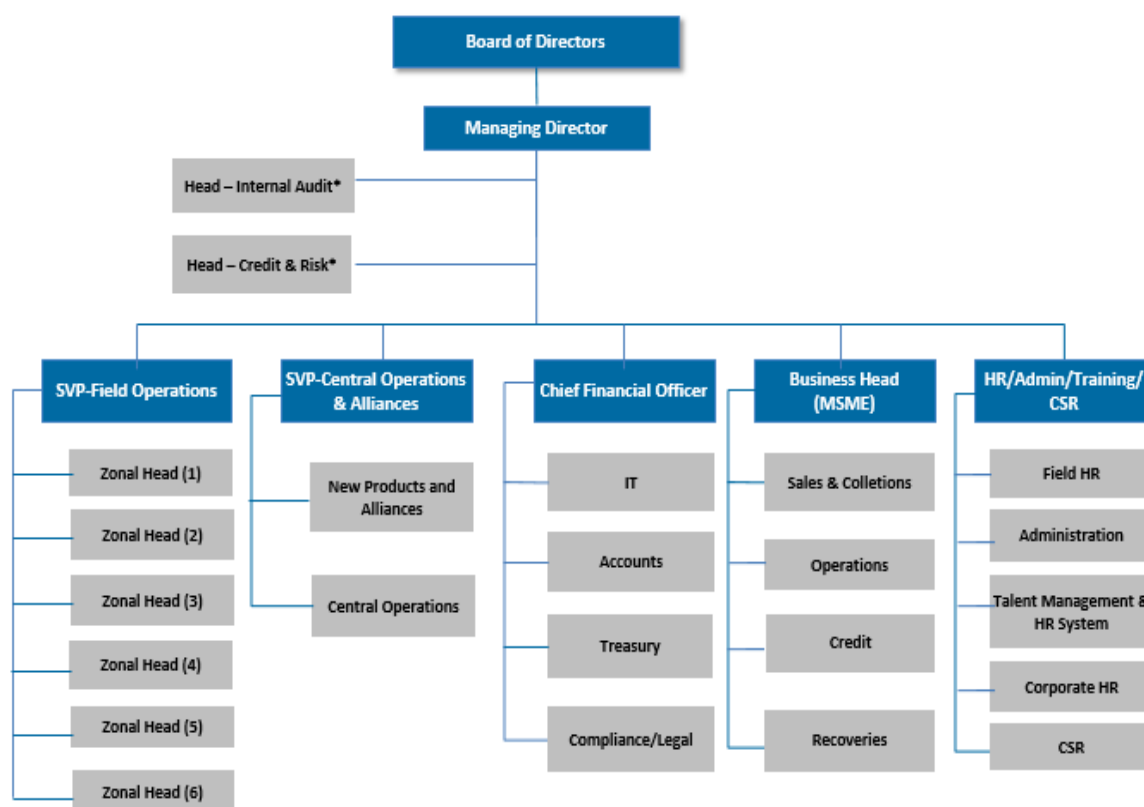




**Data Entry:** After the sanctioning of the loan, BH generate the data files (All the application, verification CGT, GRT forms) from Esthenos and send the soft to central HUB for data entry in MIS.

**Disbursement:** Customers are instructed to be present at the branch on the day of disbursement, where customers pay the LPF amount, loan linked life insurance premium and cash is handed over to the customers along with loan card and loan agreement. In case of cashless disbursement, funds get credited directly to customers loan account.

e. **Corporate Structure**



\* Head of Internal Audit & Risk report directly to the Independent Chair of the Audit & Risk Committee, with administrative reporting to the MD

f. **Key Operational and Financial Parameters for the last 3 audited years**

Rs. In Crores

Particulars	Audited	Audited	Audited
	31-Mar-19	31-Mar-18	31-Mar-17
Net worth	681.22	380.45	341.17
Total Debt	2,953.74	1,865.06	813.55
- Non current maturities of long- term Borrowings	1,295.35	906.25	408.71
- short term borrowings	242.76	234.17	67.95
- Current maturities of long-term Borrowings	1,415.63	724.65	336.89
Net Fixed Assets	11.77	10.33	7.42
Non-Current Assets	1,001.47	520.70	151.24
Cash and Cash equivalents	207.78	177.90	190.54
Current investments	0.00	0.02	0.00
Current Assets	2,861.85	1,835.32	1,058.20
Current liabilities	1,841.70	1,036.77	453.89
On Balance sheet assets	3,490.35	2,057.55	910.24
Assets Under Management	4,044.88	2,171.23	1,013.80
Off balance sheet assets	554.54	113.68	103.55
Interest income	536.78	285.71	182.11
Interest Expense	243.57	118.05	93.42
Provisioning & write Offs	40.69	48.55	8.03
PAT	112.08	29.67	27.46
Gross NPA (%)	0.66%	1.29%	0.36%
Net NPA (%)	0.00%	0.00%	0.00%
Tier I Capital Adequacy Ratio (%)	15.86%	22.58%	35.62%
Tier II Capital Adequacy Ratio (%)	4.18%	1.95%	3.73%

Rs. In Crores

Particulars	Audited (Ind AS)
	31-Dec-19
Net worth	955.35
Total Debt	3533.78
Net Fixed Assets	6.47
Cash and Cash equivalents	562.92
Current investments	0.00
On Balance sheet assets	4076.17
Assets Under Management	4646.13
Off balance sheet assets	569.96
Interest income	639.30
Interest Expense	280.49
Provisioning & write Offs	86.12
PAT	128.49
Gross NPA (%)	0.98%
Net NPA (%)	0.00%
Tier I Capital Adequacy Ratio (%)	22.00%
Tier II Capital Adequacy Ratio (%)	4.41%

g. **Gross Debt: Equity Ratio of the Company as on March 31, 2020:**

Before the issue of debt securities	4.43
After the issue of debt securities	4.62

**Calculations**

Before the issue, debt-to-equity ratio is calculated as follows:

Debt – INR (in crores)	4185.24
------------------------	---------



*Equity – INR (in crores)	943.73
Debt/Equity	4.43

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

Debt – INR (in crores)	4360.24
*Equity – INR (in crores)	943.73
Debt/Equity	4.62

**h. Project cost and means of financing, in case of funding new projects:**

Not applicable

**i. Change in accounting policies:**

Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company

There has been no significant change in accounting policies.

**j. Related Party Transactions as per the Companies Act, 2013 for last three financial years**

Transaction	Related Party	31-Mar-19	31-Mar-18	31-Mar-17
Portfolio Buyout	Jain Sons Finlease Limited	-	1,204,956	
Loan repayment received	Arohan ESOP Trust	-	-	9,600,000
Loan Taken	Jain Sons Finlease Limited	-	59,781,873	
	Aavishkaar Venture Management Services Private Limited	1,500,000,000	-	
Loan repaid	Jain Sons Finlease Limited	26,808,076	32,523,807	
	Aavishkaar Venture Management Services Private Limited	1,500,000,000	-	
	Manoj Kumar Nambiar			2,400,000
	Geeta Nambiar			3,400,000
Security deposit received	Tribetech Private Limited	1,432,503	1,487,500	
Security deposit invoked	Tribetech Private Limited	2,953,379	-	
Purchase of property, plant and equipment	Jain Sons Finlease Limited	-	4,749,394	
Interest Paid	Jain Sons Finlease Limited	1,611,928	8,116,893	
	Aavishkaar Venture Management Services Private Limited	17,519,179	-	
	Manoj Kumar Nambiar			190,911
	Geeta Nambiar			252,094
Corporate social responsibility expenses	Anudip Foundation	-	900,000	
Professional fee	Aavishkaar Venture Management Services Private Limited	3,162,738	567,071	
	Tribetech Private Limited	5,550,495	1,586,188	
	Intellectap Capital Advisory services private limited	692,886	3,579,767	13,468,750
Loan Processing Charge	Jain Sons Finlease Limited	-	96,750	
Reimbursement of expense paid	Tano India Private Equity Fund II			49,995
	Intellectap Capital Advisory	263,013	272,488	49,992



Transaction	Related Party	31-Mar-19	31-Mar-18	31-Mar-17
	Services Private Limited			
	Aavishkaar Venture Management Services	370,795	34,542	22,820
	Tribetech Private Limited	302,960	165,447	
Reimbursement of expense received	Intellectcap Advisory Services Private Limited	57,600	-	
	Aavishkaar Venture Management Services Private Limited	251,339	-	
	Tribetech Private Limited	425,000	-	
Rent & service Charges	Intellectcap Capital Advisory Services Private Limited	-	-	134,232



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

##### a. Details of Share Capital as on latest quarter end i.e. March 31, 2020:

Share Capital	Amount
<b>Share Capital</b>	
<b>Authorised</b>	
11,24,53,320 Equity shares of Rs 10/- each	1,12,45,33,200
<b>TOTAL</b>	<b>1,12,45,33,200</b>
<b>Issued, Subscribed and Fully Paid- up</b>	
11,03,20,974 Equity shares of Rs. 10/- each	1,10,32,09,740
<b>Preference Shares</b>	
Nil	-
<b>TOTAL</b>	<b>1,10,32,09,740</b>

##### b. Changes in its capital structure as on last quarter end i.e. March 31, 2020 for the last five years:

Date of Shareholders' Resolution	Change in Authorized Share Capital;
December 15, 2016	The authorized share capital of our Company was increased from ₹704,237,900 divided into 52,070,470 Equity Shares and 9,176,660 CCPS to ₹903,533,200 divided into 72,000,000 Equity Shares and 9,176,660 CCPS.
March 8, 2017	The authorized share capital of our Company was reclassified from ₹903,533,200 divided into 72,000,000 Equity Shares and 9,176,660 CCPS to ₹903,533,200 divided into 90,353,320 Equity Shares.
March 28, 2018 <sup>(i)</sup>	Pursuant to a scheme of arrangement under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 between our Company and Intellectash Microfinance Network Company Private Limited ("Intellectash", and such scheme, the "Scheme"), the authorized share capital of Intellectash was combined with and added to the authorized share capital of our Company; accordingly, the authorized share capital of our Company was increased from ₹903,533,200 divided into 90,353,320 Equity Shares to ₹1,12,45,33,200 divided into 11,24,53,320 Equity Shares.

##### c. Equity Share Capital History of the Company as on the last quarter end i.e. March 31, 2020, for the last five years:

Date of allotment	No. of equity shares	Face Value	Issue Price (in Rs)	Consideration (Rs in Crore)	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)	
September 30, 2015	1,68,207	10	21.20	0.36	Pref. Allotment	5,17,70,470	51.77	65	-
December 19, 2016	90,77,830	10	-	Loan to Equity	Pref. Allotment	6,08,48,300	60.85	NA	Conversion
January 19, 2017	23,44,736	10	56.61	13.27	Pref. Allotment	6,31,93,036	63.19	75.47	-
January 27, 2017	79,16,927	10	56.61	44.82	Pref. Allotment	7,11,09,963	71.11	112.37	-
March 31, 2017	1,14,52,405	10	84.70	97.00	Pref. Allotment	8,25,62,368	82.56	197.92	-



Date of allotment	No. of equity shares	Face Value	Issue Price (in Rs)	Consideration (Rs in Crore)	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)	
					ent				
March 28, 2018	- 18,067,494	10	-	-	Pref. Allotment	6,44,94,874	64.49	NA	Extinguishment of Equity Shares pursuant to Merger
March 28, 2018	2,39,70,479	10	-	-	Pref. Allotment	8,84,65,353	88.47	NA	Allotment of Equity Shares pursuant to Merger
July 3, 2018	6,00,000	10	130	7.80	Pref. Allotment	8,90,65,353	89.07	205.12	-
December 28, 2018	1,02,17,288	10	146.81	150.00	Pref. Allotment	9,92,82,641	99.28	344.90	-
March 26, 2019	26,41,275	10	162.80	43.00	Pref. Allotment	10,19,23,916	101.92	385.26	-
March 28, 2019	7,50,000	10	162.80	12.21	Pref. Allotment	10,26,73,916	102.67	396.72	-
September 27, 2019	76,47,058	10	170	130.00	Pref. Allotment	11,03,20,974	110.32	519.07	-

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

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

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

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

f. **Fully convertible Warrants pending for conversion as on March 31, 2020**

There have been no fully convertible warrants pending in the last I (one) year.





#### 4.6 Details of the shareholding of the Company as on the latest quarter end, i.e. March 31, 2020

##### a. Shareholding Pattern of the Company as on last quarter end, i.e. March 31, 2020

Sr. No	Name of Shareholders/Particulars	Face Value	Total No. of Equity Shares	Total Shareholding as % of total no. of equity shares.	Number of shares held in Demat Form
<b>Promoter</b>					
1	Aavishkaar Venture Management Services Private Limited	10	2,38,11,394	21.58%	2,38,11,394
2	Intellectual Capital Advisory Services Pvt Ltd	10	1,64,72,146	14.93%	1,64,72,146
	<b>Total</b>		<b>4,02,83,540</b>	<b>36.51%</b>	
<b>Non-Promoter</b>					
1	Aavishkaar Goodwell India Microfinance Development Co II Ltd	10	1,85,39,529	16.81%	1,85,39,529
2	Tano India Private Equity Fund II	10	1,69,14,279	15.33%	1,69,14,279
3	Maj Invest Financial Inclusion Fund II K/S	10	1,54,01,267	13.96%	1,54,01,267
4	TR Capital III Mauritius	10	97,18,722	8.81%	97,18,722
5	Michael & Susan Dell Foundation	10	32,70,980	2.96%	32,70,980
6	Arohan ESOP Trust	10	15,64,524	1.42%	15,64,524
7	Others	10	46,28,133	4.20%	42,98,092
	<b>Total</b>		<b>700,37,434</b>	<b>63.49%</b>	
	<b>Grand Total</b>		<b>11,03,20,974</b>	<b>100.00%</b>	

Notes: Details of Shares pledged or encumbered by the promoters (if any): NIL

##### b. List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. March 31, 2020:

Sr. No	Name of Shareholders/Particulars	Face Value	Total No. of Equity Shares	Total Shareholding as % of total no. of equity shares.	Number of shares held in Demat Form
1	Aavishkaar Venture Management Services Private Limited	10	2,38,11,394	21.58%	2,38,11,394
2	Intellectual Capital Advisory Services Pvt Ltd	10	1,64,72,146	14.93%	1,64,72,146
3	Aavishkaar Goodwell India Microfinance Development Co II Ltd	10	18,539,529	16.81%	1,85,39,529
4	Tano India Private Equity Fund II	10	16,914,279	15.33%	1,69,14,279
5	Maj Invest Financial Inclusion Fund II K/S	10	15,401,267	13.96%	1,54,01,267
6	TR Capital III Mauritius	10	9,718,722	8.81%	97,18,722
7	Michael & Susan Dell Foundation	10	3,270,980	2.96%	32,70,980
8	Rajesh Sachdeva	10	25,41,866	2.30%	25,41,866
9	Arohan ESOP Trust	10	1,564,524	1.42%	15,64,524
10	Shahnaz Memorial Trust	10	6,77,028	0.61%	6,77,028
	<b>Total</b>				



#### 4.7 Following details regarding the directors of the Company:

##### a. Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Shelf Disclosure Document:

Sl.	Director's name	Age	PAN/ Pass port No.	DIN	Designa tion	Address	Details of Other Directorships
1	Dinesh Kumar Mittal	67	ABW PM41 65B	000 400 00	Indepen dent Director	B-71, Sector 44, Noida - 201301	<ul style="list-style-type: none"> <li>- Trident Limited</li> <li>- Max Financial Services Limited</li> <li>- HSBC Asset Management (India) Private Limited</li> <li>- Balrampur Chini Mills Ltd</li> <li>- Max Ventures And Industries Ltd</li> <li>- Business Strategy Advisory Services Private Limited</li> <li>- Ergos Business Solutions Pvt Ltd</li> <li>- Andromeda Sales and Distribution Private Limited</li> <li>- Max Bupa Health Insurance Company Limited</li> <li>- Bharti Airtel Limited</li> <li>- Max Life Insurance Company Ltd</li> <li>- Max Healthcare Institute Limited</li> <li>- Atyati Technologies Pvt Ltd</li> <li>- North East Power Transmission Company Private Limited</li> </ul>
2	Sumantra Banerjee	71	AACP B448 0B	000 752 43	Indepen dent Director	2C, Alipore Avenue Kolkata - 700027	<ul style="list-style-type: none"> <li>- Myriad Ventures Private Limited</li> <li>- Noida Power Company Limited</li> <li>- Anudip Foundation For Social Welfare</li> </ul>
3	Vineet Chandra Rai	49	ABUP R940 0L	006 062 90	Director	F 1705/06 Whispering Palm Exclusive Lokhandwala Complex Akurli Road, Kandivali (East) Mumbai - 400101	<ul style="list-style-type: none"> <li>- Ulink Agritech Private Limited</li> <li>- Jain Sons Finlease Limited</li> <li>- Electronic Payment And Services Private Limited</li> <li>- Intellectual Capital Advisory Services Private Limited</li> <li>- Aavishkaar Venture Management Services Private Limited</li> <li>- Aavishkaar Venture Trustees Private Limited</li> <li>- Tribetech Private Limited</li> <li>- Aavishkaar Capital Advisors LLP</li> </ul>
4	Matangi Gowrishankar	62	AAGP G897 3J	015 181 37	Director	E-1001/1002 Maestros Salunke Vihar Rd Wanwadi Pune - 411040	<ul style="list-style-type: none"> <li>- Cyient Limited</li> <li>- Jain Sons Finlease Limited</li> <li>- Gabriel India Limited</li> <li>- Premium Transmission Private Limited</li> <li>- Intellectap Advisory Services</li> </ul>



Sl.	Director's name	Age	PAN/ Pass port No.	DIN	Designa tion	Address	Details of Other Directorships
							Private Limited - Altum Credo Home Finance Private Limited
5	Piyush Goenka	43	ACZP G334 4E	021 178 59	Nomine e Director	2803 Tower 5, Crescent Bay, Jerbhai Wadia Road, Parel Mumbai - 400012	- Shilpa Medicare Limited - Safari Industries (India) Limited - TIA Advisors LLP
6	Wilhelmus Marthinus Maria Van Der Beek	60	NWR H9D8 09	021 425 59	Nomine e Director	Vogelenzangse weg 18 2111 Hr Aerdenhout Amsterdam - 2111	-
7	Anurag Agrawal	42	AFTP A767 6J	023 857 80	Director	Flat No. 1403, Angelica Mahindra Eminente, S V Road, Goregaon West, Mumbai - 400104	- Jain Sons Finlease Limited - Aavishkaar Venture Management Services Private Limited - Intellectual Capital Advisory Services Private Limited - Butterfly Edufields Private Limited - Nepra Resource Management Private Limited - Aavishkaar Capital Advisors LLP
8	Manojkumar Narayan Nambiar	55	AAAP N785 1Q	031 729 19	Managin g Director	8, Godavari, Sector-3 Vashi, Navi Mumbai, Vashi Thane Thane Mumbai - 400703	- Aavishkaar Venture Management Services Private Limited - Tribetech Pvt Ltd
9	Rajat Mohan Nag	72	AJOP N251 1Q	070 838 31	Director	B-3/602 World Spa West-Sector 30 Gurgaon - 122001	- Partners For Transparency Foundation India
10	Kasper Svarrer	48	2092 4588 5	072 524 75	Nomine e Director	Sankt Thomas Alle 10, 4. Tv Frederiksberg 1824 DK	- MJIC Consultancy Private Limited
11	Paul Gratien Robine	43	17FV 2671 5	078 285 25	Nomine e Director	Flat C,35/F, Block 2, Estoril Court, 55 Garden Road, Hong Kong Na HK	- Sedemac Mechatronics Pvt Ltd - Consure Medical Private Ltd - Surewaves Mediatech Pvt Ltd - Shantani Proteome Analytics Pvt Ltd - TR India Advisors LLP
12	Shri Ram Meena	48	AEZP M514 2A	084 521 87	Nomine e Director	Flat Gf-2, Beaufort Apartment, Beltola Bylane-3, Near Regional Passport Office Guwahati - 781028	- RGVN (North East) Microfinance Limited - Bandhan Financial Services Limited



*\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: **None of the Directors of the Company are appearing on the RBI/ECGC defaulters list***

b. **Details of change in directors since last three years:**

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Dinesh Kumar Mittal	Director	00040000	15/05/2018	N.A.	Appointment
Wilhelmus Marthinus Maria Van Der Beek	Nominee Director	02142559	29/10/2018	N.A.	Change in Designation
Kailash Chandra Vaid	Nominee Director	07339850	24/01/2019	Since Dec, 2015	Cessation
David Arturo Paradiso	Alternate Director	08181832	24/01/2019	N.A.	Appointment
Prakash Kumar	Nominee Director	06758416	24/01/2019	N.A.	Appointment
Paul Gratein Robine	Nominee Director	07828525	18/03/2019	N.A.	Appointment
Sumantra Banerjee	Independent Director	00075243	18/03/2019	N.A.	Re-Appointment
Shree Ram Meena	Nominee Director	08452187	15/05/2019	N.A.	Appointment
Prakash Kumar	Nominee Director	06758416	15/05/2019	Since Jan, 2019	Cessation
David Arturo Paradiso	Alternate Director	08181832	15/05/2019	Since Jan, 2019	Cessation
Rajat Mohan Nag	Independent Director	07083831	31/01/2020	NA	Re-Appointment

c. **Brief Profile of Directors and Key Managerial Personnel's**

Brief Profile of Directors		
Name	Designation	Experience
Manojkumar Narayan Nambiar	Managing Director	Manoj Kumar Nambiar is the Managing Director of our Company. He has been a Director since October 2012. He holds a bachelor's degree in engineering (mechanical branch) from University of Bombay and a master's degree in management studies from University of Bombay. He has also completed the 'Strategic Leadership in Microfinance' course from Harvard Business School, US. Post completion of his management studies in the year 1988, he has worked with various companies in the fields of marketing, consumer finance, retail banking and microfinance across India and the Middle East. Prior to joining our Company, he worked with Xerox India Limited (formerly, Modi Xerox Limited), GE Countrywide, ANZ Grindlays Bank, ABN Amro Bank N.V., National Bank of Oman, Ahli Bank and with Alhamrani Company for Investment in Trade. He was a member of the Governing Board of MFIN, the industry SRO from 2013 and its President in 2015-16. He is currently the member of the Governing Board of MFIN and is a part of the Policy Advocacy Task Force at Sa-Dhan and MFIN.
Dinesh Kumar Mittal	Independent Director & Chairman of the board	Dinesh Kumar Mittal is the Independent Non- Executive Chairman of our Board. He holds a master's degree in physics from University of Allahabad. He joined the Indian Administrative Services in July 1977 and has over 36 years of experience. Prior to joining our Company, he has served with the Government of India as Secretary - Department of Financial Services and the Ministry of Corporate Affairs and



Brief Profile of Directors		
Name	Designation	Experience
		as Additional Secretary and Joint Secretary – Department of Commerce. He has also served as the Chief Executive Officer of IL&FS and with the Government of the state of Uttar Pradesh in various capacities including as Secretary to the Chief Minister, Managing Director – Uttar Pradesh Land Development Corporation, Vice Chairman to the Ghaziabad Development Authority and Special Secretary and Additional Director – Industries.
Sumantra Banerjee	Independent Director	Sumantra Banerjee is a Non-Executive Independent Director of our Company. He has been a Director since April 29, 2014. He holds a Bachelor's degree (technology) in chemical engineering from the Indian Institute of Technology, Kharagpur, a Master's degree in polymer science and a Master's degree in Business Administration (Marketing and Finance), both from USA. He has over 26 years of experience in board and key management personnel roles. Prior to joining our Company, he has served as the Managing Director of CESC Limited, the Chief Executive Officer of Spencer's Retail Limited and a member of the board of the R.P. Sanjiv Goenka Group.
Vineet Chandra Rai	Director	<p>Vineet Chandra Rai is the Promoter of Arohan and Serves on its Board as Non-Executive Director. Vineet Rai founded The Aavishkaar group and chairs its Group Executive Council. Aavishkaar Group is an Impact Investment Platform impacting millions of people in Asia and Africa using entrepreneurship-based development approach. Vineet believes in building impact ecosystem to deliver real Impact as enshrined in the vision of Aavishkaar Group "We exist to bridge the Opportunity Group for the Emerging 3 Billion". Vineet believes that Impact Investing has the potential to change the world of finance irreversibly.</p> <p>Vineet has received numerous awards including the Impact Investor of the Year by News Corp for 2016, Porter Prize for Strategic Leadership in Social Space, 2016, CNBC TV 18 Award for being the Catalyst Fund for India 2016, G 20 – SME Innovation in Finance Award 2010 in Seoul South Korea, UNDP-IBLF-ICC World Business Award in 2005 and Lemelson Award for Social Venture Investing. He is an Ashoka Fellow and Honorary Member of XLRI Alumni Association. Vineet recently featured on the cover of Forbes India, January 2018 issue. Vineet was invited by the Prime Minister Shri Narendra Modi for consultations on doubling the income of the farmers in September 2017 as part of his champions of change program. Vineet also serves as Commissioner at the Business Commission for Sustainable Development, as Senior Advisor to Blended Finance Working Group at OECD. He was also appointed by SEBI on its Working Group for Social Stock Exchange In India.</p>
Matangi Gowrishankar	Independent Director	Matangi Gowrishankar is a Non-Executive Independent Director of our Company. She has been a Director since August 22, 2016. She holds a bachelor's degree in Sociology from the University of Madras, Chennai & honours diploma in Personnel Management & Industrial Relations from Xavier Labour Relations Institute, Jamshedpur. Post completion of her management studies in the year 1979, she has held leadership positions with various organisations like Standard Chartered Bank, Reebok India, General Electric Company, Zensar Technologies and Cummins India Limited, both in India and overseas. Most recently she has worked with the British Oil & Gas major



Brief Profile of Directors		
Name	Designation	Experience
		where she was Human Resources Director for the Asia Pacific Region for the Lubricants business following which she was global head of leadership capability development in the Leadership Academy. She also holds Independent Director positions on the Boards of other companies in India. She is passionate about and has a track record for building organization and leadership development both in India and overseas.
Anurag Agrawal	Director	Anurag Agrawal is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by Intellectash. He has been a Director since October 3, 2012. He holds a bachelor's degree in business administration and a master's degree in commerce from the University of Madras, Chennai and a post graduate diploma in management from T.A. Pai Management Institute, Manipal. He has approximately 17 years of experience in banking and management. He is also the Chief Executive Officer of one of our Promoters, I-Cap. Prior to joining our Company, he has worked with ICICI Bank Limited.
Rajat Mohan Nag	Independent Director	Rajat Mohan Nag is a Non-Executive Independent Director of our Company. He has been a Director since January 31, 2015. He holds engineering degrees from the Indian Institute of Technology, Delhi and the University of Saskatchewan. He also has an MBA and an honorary doctorate from the University of Saskatchewan and an MS in economics from the London School of Economics. He has approximately 30 years of experience in banking and finance. He is concurrently a Distinguished Fellow at India's National Council of Applied Economic Research and the Emerging Markets Forum. He also serves as Chair of the Act East Council of the Indian Chamber of Commerce. He was a Visiting Professor at the Graduate School of Development Management of the Asian Institute of Management in Manila (2014-15) and currently is a Distinguished Professor at the Emerging Markets Institute at Beijing Normal University, as well as an Advisor and Board Member of several non profit organizations, including Action for Autism and Partnership for Transparency Fund. He was the Managing Director General of the Asian Development Bank during 2006-2013
Piyush Goenka	Nominee Director	Piyush Goenka is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by Tano. He has been a Director since March 31, 2015. He holds a bachelor's degree in commerce from University of Calcutta and has completed the post-graduate programme in management (equivalent to a master's degree in business administration) from Management Development Institute, Gurugram. He is a CFA charter holder. He has over 18 years of experience in private equity investing and the financial services sector. At Tano, he is responsible for making investments across a wide range of sectors and has led most of Tano's investments in the consumer, pharmaceuticals and financial services sectors. Prior to joining Tano, he has worked with Infrastructure Leasing & Financial Services Limited, Export-Import Bank of India and First Global.
Kasper Svarrer	Nominee Director	Kasper Svarrer is a Non-Executive Nominee Director of our Company. He has been a Director since March 31, 2017. He was nominated to our Board of Directors by Maj Invest. He holds master's degree in forestry from Royal Veterinary and Agricultural University, Copenhagen and a master's degree in business administration from Henley Business School, University of Reading, United Kingdom. He also holds a





Brief Profile of Directors		
Name	Designation	Experience
		certificate for completing a course on international business management from Georgetown University, USA. He has close to 20 years of experience in asset management and has been with the Maj Invest group since 2009. He is the Managing Partner, financial inclusion, at Maj Invest Equity A/S, a fund manager for three funds, namely, Danish Microfinance Partners K/S and Maj Invest Financial Inclusion Fund II+III, and also represents the funds on the board of directors of Baobab Holding, a portfolio company. Previously, he has worked at the World Bank and the Industrialisation Fund for Developing Countries.
Paul Gratien Robine	Nominee Director	Mr. Paul Robine is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by TR Capital III, he is the Founder and CEO of TR Capital, Hong Kong, responsible for all investment and divestment decisions made at the firm, as well as, leads its strategic direction. He has been responsible for the investment activity of TR Capital since 2007. Prior to founding TR Capital, he was Founder and CEO of the Link Group in Asia. He currently serves as a board member in a number of TR Capital's investee companies. He is a Baccalaureate (A Level: Major Economics and Finance) and holds a Master's degree from EDHEC Business School, France.
Shri Ram Meena	Nominee Director	Mr. Shri Ram Meena is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by SIDBI, and is the Deputy General Manager, SIDBI, Regional Office, Guwahati having over 23 years of experience in SME Financing. Prior to joining SIDBI, he has worked with Air India and Ministry of Finance, Government of India [Banking Division]. At SIDBI, he has worked on project appraisal, finance, stressed assets management, resolution, promotional and development activities of the Bank for MSME. Presently he is heading the Regional Office of SIDBI, Guwahati serving all the North Eastern States, Sikkim and West Bengal. He is a Bachelor in Commerce and Master in Economics from Rajasthan University, Jaipur. He is also a Certified Associate of Indian Institute of Bankers [CAIIB]
Wilhelmus Marthinus Maria Van Der Beek	Nominee Director	Wilhelmus Marthinus Maria Van Der Beek is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by AG II. He has been a Director since December 5, 2016. He holds a doctoral degree in economics and business economics from Erasmus University, Rotterdam and has completed the European Leadership Course 6 from Comenius Leergangen. He has experience in financial structuring, investment management, private equity and cross-border direct investments. He is the founder of Goodwell Investments BV, a Netherlands-based investment firm focused on financial inclusion and also manages the Aavishkaar Goodwell India Microfinance Development Company I Ltd. and AG II.

Brief Profile of Senior Managerial Personnel's		
Name	Designation	Experience
Manoj Kumar Nambiar	Managing Director	Manoj Kumar Nambiar is the Managing Director of Arohan and a Board Member. Manoj has over 28 years of experience in consumer finance & retail banking. Manoj started his working career with Modi Xerox in 1988 and then moved into consumer financial services with GE Countrywide in 1995, retail banking with ANZ Grindlays in 1997 and retail assets & business development with ABN



		<p>Amro Bank NV India in 2000. Manoj joined as Head Retail Banking of National Bank of Oman in 2002 looking after Oman, UAE &amp; Egypt, post which he worked as the Chief Operating Officer of the Alhamrani-Nissan Finance company, KSA in 2004 and returned to Oman as the Dy CEO of Ahli Bank SAOG in 2008. He returned to India in June 2010 as MD &amp; CEO of Intellectash Microfinance Network Company (P) Limited (an Intellect Group company) which is in the business of incubating and capacity building of MFIs. Manoj is also a director on the boards of Intellectash Microfinance Network Company (P) Limited, Aavishkaar Venture Management Services (P) Limited &amp; Intellect Software Technologies (P) Limited. He joined the governing board of MFIN in early 2013 and was the president of the MFIN Board in FY15-16.</p> <p>Manoj completed his mechanical engineering from VJTI in 1986, and his MBA in Marketing from JBIMS in 1988, both from Mumbai University and has tertiary qualifications in insurance from Insurance Institute of India. He has also completed the "Strategic Leadership in Microfinance" course from the Harvard Business School, Boston, US in April '13.</p>
Shirish Chandra Panda	Executive Vice President & Head of Business	<p>Shirish Chandra Panda has joined us as SVP - Head of Business handling the entire field operations. He has over 18 years of diversified experience.</p> <p>Shirish joins us from Satin Credit care where he was Deputy COO for North handling a portfolio of over INR 1200 crores across many states. He is a seasoned Business Operations, Strategy Management professional with exposure to risk and internal audit mainly in the Financial Inclusion sector. He has worked with companies such as IFMR, Basix, Reliance Retail, Asian Paints &amp; Credible Securities &amp; Finance. He played a pioneering role in setting up the Retail Business for Reliance and designed the roadmap for agri and rural financial products. In Basix he worked on the livelihood model in microfinance. In his last assignment with Satin Credit Care as Deputy Chief Operating Officer - North, Shirish was also instrumental in setting up of a business correspondent entity known as Taraashna. Apart from MFI and cross selling, he has also driven businesses for Personal Loans, Retailer Loans, Financing of utility vehicles, jewel loans and Micro Housing Shirish is a post graduate in Management (PGPRM) from Institute of Rural Management, Anand (IRMA) and Post Graduate Diploma in Advanced Strategy for Leaders from IIM Lucknow.</p>
Milind Nare	Chief Financial Officer	<p>Milind Nare is the Chief Financial Officer at Arohan. He is a finance professional with over two decades of experience spanning the entire gamut of finance.</p> <p>Milind heads the finance team at Arohan. He is directly responsible for Financial Management, Treasury Management, Audit &amp; Taxation, Regulatory Compliance, Legal and Secretarial verticals. His role also includes liaising with all external Stakeholders. Milind joins us from India Factoring &amp; Financial Services (P) Limited where he was CFO and has over 20 years of work experience. His previous work experience includes years at Global Trade Finance (P) Limited, The Bombay Dyeing &amp; Manufacturing Company Limited, Associated Capsules, L &amp; T Capital Limited &amp; Savant &amp; Co. He brings expertise in Strategic planning, Treasury management, Resource mobilization, FOREX management, Audit &amp; taxation, Regulatory Compliance, Information system control &amp; MIS. Milind holds a masters &amp; diploma in Financial Management and also in Computer</p>
Harsh Patnaik	SVP - Central	Harsh Patnaik has joined us as Senior Vice President



	Operations and Alliances	<p>handling the critical cross sell, partnerships and alliances function in the operations department at Arohan. Harsh has over 24 years of work experience.</p> <p>Harsh is armed with a rich experience spanning in Financial Services, FMCG and Rural/Social Consulting. He started his career with Britannia Industries Ltd in 1992. He has lead distribution of products and services verticals at Reliance's (MDAG) Finance and Dairy Business; General Insurance Business at ITC's eChoupal and the rural forays of IFFCO Tokio General Insurance. Harsh joins us from Sahaj e-Village Limited where he worked as SVP and Head - Strategy &amp; Business Development.</p> <p>Harsh is a PGDRM from IRMA, has a thorough understanding of rural dynamics and has hands on approach to tackling challenges of BoP Marketing.</p>
Ranjan Das	Chief Risk Officer	<p>Ranjan Das has joined Arohan as Vice President and heads the Risk &amp; Credit Department and has work experience spanning over 21 years.</p> <p>Ranjan has rich work experience in risk management and control, product and credit policy formulation, credit appraisal &amp; portfolio and risk analytics. He has worked with companies such as Citicorp Finance India Ltd, Transafe Ltd and Nicco UCO Financial Services Ltd. Ranjan has completed his bachelors in Economics (Honours) and has done his Masters in Business Management in Finance from the University of Kolkata in the year 1995.</p>
Anirudh Singh G Thakur	Head - Legal, Compliance and Company Secretary	<p>Anirudh Singh G. Thakur is the Head - Legal, Compliance and Company Secretary at Arohan. He has over 23 years of experience in corporate law, commercial law, compliance and litigation. Prior to joining Arohan, he was into legal consultancy for a brief period and also worked with various corporate such as India Factoring and Finance Solutions Private Limited, Global Trade Finance Limited, Intelnet Global Services Limited, Premier Auto Electric Limited and Pix Transmissions Limited in the Legal and Secretarial departments. Anirudh holds a Bachelor's degree in Science and a Bachelor's degree in Law from Nagpur University. He is an Associate Member of the Institute of Company Secretaries of India and has passed the Limited Insolvency Examination conducted by the Insolvency and Bankruptcy Board of India.</p>
Abin Mukhopadhyay	Vice President - Internal Audit	<p>Abin Mukhopadhyay heads the Internal Audit function at Arohan and has a work experience spanning over 15 years. Abin is responsible for monitoring process adherence, ensuring compliance to statutory requirements and reviewing the adequacy of existing systems and controls from time to time. Abin began his career with Eveready Industries Ltd. in 2001 and his subsequent assignments were Assistant Manger (Internal Audit) - ITC Limited, Manager Finance (Dentifrice) - Colgate Palmolive Ind. Ltd, Chief Internal Auditor - Hindustan Motors Limited and GM (Finance and Accounts) - Gumasol Rubber Tech GmbH. His key achievements include the replacement of high cost debt during his stint as Manager (Accounts and Treasury) at Eveready Industries Ind. Ltd., and Process improvement and favourable tax assessment at Gumasol Rubber Tech GmbH. Abin completed his B.Com (Honours) in 1997, CA in 2001, CMA(UK) in 2011 and CISA(USA) in 2013. He is a member of ICAI, CIMA(UK), ISACA(USA), IIA(USA) and ACFE(USA).</p>
Neeraj Kumar Lal	Deputy Vice President - Head of Internal Control & Quality	<p>Neeraj Kumar is the Head of Strategic Initiatives. He is responsible for strategic planning and initiatives for the company &amp; business at the corporate level, new product development with potential new alliance tie ups and</p>



		corporate communications including both internal and external communications. Neeraj brings with him close to 12.5 years of experience in implementation and consulting roles within the domains of inclusive financial services and institutional transformation and development. In his earlier assignments he was associated with organizations like ESAF Small Finance Bank as AVP, also with Centre for Microfinance and Livelihoods, Indian Grameen Services and Microsave. Neeraj has done his PGDRM from Institute of Rural Management, Anand (IRMA) and is a graduate in Physics from IGNOU.
Arvind Murarka	Vice President - IT & Hubs	Arvind Murarka heads the IT function at Arohan and has an extensive experience of over 24 years. Arvind is responsible for developing the IT Strategy for Arohan as well as for new technology implementation, software development, data security and Management. He is also responsible for overall Hub Operations. Arvind has rich experience across multiple industries including NBFC, IT Consulting, Digital Commerce, Healthcare, Infrastructure, Plantations, Retail and F&B. He has implemented ERP on instances of SAP R/3 Implementation and Microsoft Dynamics across enterprises and geographies. Earlier in his career he had been instrumental in pioneering the bar-coding project for Speed Post (East) and also auto-tendering system for Eastern Railways. He has worked in various organizations like GPT Infraprojects, Medica Hospitals, Intrisoft Technologies Limited, iNavigators, Softweb Technologies and Kris Systems. Prior to joining Arohan, Arvind was with Amrit Feeds as Head-IT. Arvind is a Bachelor in Commerce from Calcutta University. He has an Honours In Systems Management from NIIT. Arvind also holds an MBA in IT from ICFAL.
Prashant Rai	Vice President - HR, Admin, Training & CSR	Prashant is the Head of HR, Admin, Training and Corporate Social Responsibility (CSR) at Arohan. He has a professional experience of more than 15 years. Prashant currently heads the Human Resource Function and is responsible for manpower planning, training, strategic HR interventions, employee engagement etc. He is additionally handling the CSR function. He is a seasoned people management professional with rich experience in Human Resource, Learning & Development, Recruitment, Employee Engagement, Performance Appraisal, Compensation, Policy Formulation and dissemination, Factory HR and IR. In his last assignment he, headed the Learning and Development vertical at TATA Voltas Pvt Ltd. Additionally he also headed the CSR vertical there. Previously he was associated with SREI Infrastructure Finance Ltd., Wacker Metroark Chemicals Pvt Ltd. and Videocon Industries Ltd. Prashant is a Graduate in Mathematics with a Post Graduate in science from SM University and holds a PGBDM in HR. He is a certified PPA & GIA assessor from Thomas International. He also holds a certification in Growth Leadership from Korn-Ferry International and a Certification in Competency mapping and Business English Communication from Cambridge University.
Shailesh Kumar	Vice President and Head of Credit Arohan and Head MSME	ShShailesh Kumar is the Vice President , Head of Credit Arohan and Head MSME has been associated with Arohan since April, 2018. He has 21 years of experience in SME and the Corporate Banking sector. As Head of Credit he is responsible for managing the credit policy & administration to achieve the board and management agreed credit losses in the business. As Head MSME he is responsible for developing, directing and monitoring associated channels,



		anchors, partners associated with loan acquisition activities, managing sales and acquisition costs and for setting up the system for sales management for the merchant cash advance business of Company. Prior to joining Arohan, he has worked with ICICI Bank Limited and the State Bank of India. Shailesh is a SBI PO and holds a bachelor's degree (Honours) in Economics and English from B.R. Ambedkar University.
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#### 4.8 Following details regarding the auditors of the Company:

- **Details of the auditor of the Company:**

Name	Address	Auditor Since	Remarks
Walker, Chandiok & Co	10C, Hungerford Street, Elgin, Kolkata-700017, West Bengal	25th June, 2013	None

- **Details of change in auditors since last three years:**

Name	Address	Date of Appointment / Resignation	Remarks
Nil			

- **Auditors Qualifications:**

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Shelf Disclosure Document and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

##### **For the year 2014-15**

Auditors' reservations or qualifications or adverse remarks: - NIL

##### **For the year 2015-16**

Auditors' reservations or qualifications or adverse remarks: - NIL

##### **For the year 2016-17**

Auditors' reservations or qualifications or adverse remarks: - NIL

##### **For the year 2017-18**

Auditors' reservations or qualifications or adverse remarks: - NIL

##### **For the year 2018-19**

Auditors' reservations or qualifications or adverse remarks: - NIL



#### 4.9 Details of borrowings of the Company, as on March 31, 2020

##### a. Details of Secured Loan Facilities as on March 31, 2020

Rs. In Crores

Lenders	Type of Facility	Amount Sanctioned	Principal O/s	Security		Repayment Date/Schedule
				Book debt %	Cash Collateral	
Andhra Bank	Term Loan	10.00	2.50	115	3	Quarterly
AU Small Finance Bank	Term Loan	50.00	18.75	110	-	Quarterly
Axis Bank Limited	Term Loan	100.00	14.29	108	3	Quarterly
Axis Bank Limited	Term Loan		21.43			Quarterly
Axis Bank Limited	Term Loan	100.00	28.57	108	3	Quarterly
Axis Bank Limited	Term Loan		14.29			Quarterly
Axis Bank Limited	Term Loan		17.86			Quarterly
Axis Bank Limited	Term Loan	100.00	18.75	108	3	Quarterly
Axis Bank Limited	Term Loan		10.94			Quarterly
Axis Bank Limited	Term Loan		10.94			Quarterly
Axis Bank Limited	Term Loan		21.50			Quarterly
Axis Bank Limited	Term Loan	100.00	21.50	110	2.5	Quarterly
Axis Bank Limited	Term Loan		28.00			Quarterly
Bajaj Finance Limited	Term Loan	30.00	18.75	110	-	Monthly
Bandhan Bank	Term Loan	200.00	7.14	105	-	Quarterly
Bandhan Bank	Term Loan		21.43			Quarterly
Bandhan Bank	Term Loan		10.71			Quarterly
Bandhan Bank	Term Loan		28.57			Quarterly
Bandhan Bank	Term Loan	300.00	14.29	105	-	Quarterly
Bandhan Bank	Term Loan		85.71			Quarterly
Bank of Baroda	Term Loan	50.00	100.00	110	10	Monthly
Bank of Baroda	Term Loan		20.83			Monthly
Bank of Baroda	Term Loan					Monthly
Bank of Baroda	Term Loan	25.00	5.83	111	3	Monthly
Bank of Baroda	Term Loan					Monthly
Bank of Baroda	Term Loan	50.00	6.29	105	8	Quarterly
Bank of Baroda	Term Loan		0.74			Quarterly
Bank of Baroda	Term Loan		8.14			Quarterly
Bank of Baroda	Term Loan		0.74			Quarterly
Bank of Baroda	Term Loan		1.85			Quarterly
Bank of Baroda	Term Loan		0.74			Quarterly
Bank of Baroda	Term Loan	140.00	140.00	110	7.5	Quarterly
Bank of India	Term Loan	40.00	4.00	110	5	Quarterly
Bank of India	Term Loan					Quarterly
Bank of India	Term Loan					Quarterly
Bank of India	Term Loan	50.00	50.00	110	5	Quarterly
BNP Paribas	Term Loan	71.73	26.90	100	5	Quarterly
BNP Paribas	Term Loan	65.00	48.75	100	5	Quarterly
Citi Bank	Revolving Term Loans	33.00	33.00	110	-	Bullet
Citi Bank	Revolving Term Loans	32.00	32.00	100	-	Bullet
Development Credit Bank Ltd	Term Loan	40.00	26.67	100	-	Monthly
Equitas Small Finance Bank Ltd	Term Loan	50.00	37.50	110	-	Quarterly
Federal Bank Limited	Term Loan	15.00	9.38	110	-	Monthly
Federal Bank Limited	Term Loan	20.00	11.67	110	-	Monthly
Federal Bank Limited	Term Loan	25.00	22.92	110	-	Monthly
Federal Bank Limited	Term Loan	25.00	25.00	110	-	Monthly
HDFC Bank Limited	Term Loan	75.00	54.55	100	10	Monthly
Hero Fincorp Limited	Term Loan	30.00	1.41	110	-	Monthly
Hero Fincorp Limited	Term Loan		8.03			Monthly
Hero Fincorp Limited	Term Loan	35.00	29.00	110	-	Monthly
Hinduja Leyland	Term Loan	40.00	40.00	110	-	Monthly
HSBC Bank Limited	Term Loan	50.00	10.71	110	-	Monthly





Lenders	Type of Facility	Amount Sanctioned	Principal O/s	Security		Repayment Date / Schedule
				Book debt %	Cash Collateral	
HSBC Bank Limited	Term Loan		7.86			Monthly
HSBC Bank Limited	Term Loan		5.71			Monthly
HSBC Bank Limited	Term Loan	75.00	35.00	110	-	Monthly
HSBC Bank Limited	Term Loan		40.00			Monthly
ICICI Bank Limited	Term Loan	75.00	28.13	105	-	Quarterly
ICICI Bank Limited	Term Loan	100.00	53.13	105	-	Quarterly
ICICI Bank Limited	Term Loan		6.00			Quarterly
ICICI Bank Limited	Term Loan	350.00	6.13	110	-	Quarterly
ICICI Bank Limited	Term Loan		81.82			Monthly
ICICI Bank Limited	Term Loan		45.45			Monthly
ICICI Bank Limited	Term Loan		81.14			Monthly
ICICI Bank Limited	Term Loan		38.00			Monthly
ICICI Bank Limited	Term Loan		10.00			Monthly
IDFC First Bank Limited	Term Loan	200.00	100.00	110	-	Monthly
IDFC First Bank Limited	Term Loan					Monthly
IDFC First Bank Limited	Term Loan					Monthly
IDFC First Bank Limited	Term Loan					Monthly
Indian Bank	Term Loan	40.00	9.98	125	-	Quarterly
Indian Bank	Term Loan	50.00	24.99	100	10	Quarterly
Indian Bank	Term Loan					Quarterly
Indian Bank	Term Loan	50.00	37.50	125	-	Quarterly
Indian Bank	Term Loan					Quarterly
Indian Bank	Term Loan	200.00	50.00	125	-	Quarterly
Indian Bank	Term Loan		50.00			Quarterly
International Finance Corporation	External Commercial Borrowing	99.00	99.00	110	-	Bullet
Kotak Mahindra Bank	Term Loan	50.00	1.67	110	-	Monthly
Kotak Mahindra Bank	Term Loan		6.04			Monthly
Kotak Mahindra Bank	Term Loan	75.00	4.58	110	-	Monthly
Kotak Mahindra Bank	Term Loan		23.44			Monthly
Kotak Mahindra Bank	Term Loan		15.63			Monthly
Kotak Mahindra Bank	Term Loan	100.00	47.92	110	-	Monthly
Mahindra Financial Services	Term Loan	75.00	40.41	105	-	Quarterly
MUDRA	Term Loan	50.00	14.00	100	5	Monthly
MUDRA	Term Loan	60.00	39.30	100	5	Monthly
NABARD	Term Loan	100.00	4.80	118	-	Half-Yearly
NABARD	Term Loan		3.20			Half-Yearly
NABARD	Term Loan	67.00	26.80	112	-	Half-Yearly
NABARD	Term Loan	200.00	110.00	112	-	Half-Yearly
NABARD	Term Loan	33.00	8.25	112	-	Half-Yearly
NABARD	Term Loan	300.00	255.00	112	-	Half-Yearly
NABSAMURUDDHI Finance Limited	Term Loan	20.00	20.00	110	2.5	Quarterly
Oriental Bank of Commerce	Term Loan	25.00	8.10	111	5	Monthly
Oriental Bank of Commerce	Term Loan					Monthly
Oriental Bank of Commerce	Term Loan	25.00	24.98	111.11	5	Monthly
RBL Bank Limited	Term Loan	75.00	37.50	105	-	Quarterly
SIDBI	Term Loan	50.00	15.14	100	3	Monthly
SIDBI	Term Loan	125.00	95.83	100	5	Monthly
SIDBI	Term Loan	200.00	200.00	100	5	Monthly
Standard Chartered Bank	Revolving Term Loans	254	33.50	110	-	Bullet
Standard Chartered Bank	Revolving Term Loans		77.75			Bullet
Standard Chartered Bank	Revolving Term Loans		57.00			Bullet
Standard Chartered	Revolving		50.00			Bullet





Lenders	Type of Facility	Amount Sanctioned	Principal O/s	Security		Repayment Date/Schedule
				Book debt %	Cash Collateral	
Bank	Term Loans					
Standard Chartered Bank	Revolving Term Loans		25.00			Quarterly
State Bank of India	Term Loan	35.00	0.17	100	10	Quarterly
State Bank of India	Term Loan					Quarterly
State Bank of India	Term Loan					Quarterly
State Bank of India	Term Loan	65.00	35.20	100	10	Quarterly
State Bank of India	Term Loan					Quarterly
State Bank of India	Term Loan	100.00	90.78	115	5	Quarterly
State Bank of India	Term Loan					Quarterly
State Bank of India	Term Loan	200.00	130.07	105	5	Monthly
State Bank of India	Term Loan					Monthly
SMBC	Term Loan	50.00	6.25	110	-	Quarterly
SMBC	Term Loan		12.50			Quarterly
SMBC	Term Loan	50.00	43.75	-	-	Quarterly
SMBC	Term Loan	50.00	50.00	110	-	Quarterly
Syndicate Bank	Term Loan	20.00	2.50	111	-	Quarterly
Tata Capital	Term Loan	25.00	24.02	110	-	Monthly
Ujjivan Small Finance Bank	Term Loan	25.00	25.00	110	-	Quarterly
Union Bank of India	Term Loan	50.00	30.56	110	-	Monthly
Union Bank of India	Term Loan	100.00	75.00	-	-	Quarterly
United Bank of India	Term Loan	25.00	25.00	120	-	Monthly
Woori Bank	Term Loan	20.00	12.50	100	-	Monthly
Woori Bank	Term Loan	40.00	33.33	105	5	Monthly
Yes Bank Limited	Term Loan		3.50			Monthly
Yes Bank Limited	Term Loan	100.00	14.58	105	5	Monthly
Yes Bank Limited	Term Loan		38.13			Monthly
Allahabad Bank	OD against FD	0.30	0.03	-	25	NA
Axis Bank Limited	Cash Credit	30.00	30.02	110	0	NA
Bank Of Maharashtra	Cash Credit	20.00	20.19	110	0	NA
Federal Bank Limited	Cash Credit	5.00	0.00	110	0	NA
Indian Bank	Cash Credit	10.00	9.24	125	0	NA
Kotak Mahindra Bank	Cash Credit	20.00	0.02	110	0	NA
SBER Bank	Cash Credit	10.00	0.00	110	0	NA
UCO Bank	OD	0.09	0.04	-	11	NA
DMI Finance Pvt. Ltd	Securitisation	65.58	6.67	-	-	Monthly
<b>Total</b>			<b>3,975.24</b>			

## b. Details of Unsecured Loan Facilities as of March 31, 2020:

Rs. In crores

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
Bank Of Maharashtra	Sub Ordinate Debt (Term Loan)	25.00	25.00	14-Oct 2023 (Bullet repayment)
IDFC First Bank	Sub Ordinate Debt (Term Loan)	50.00	50.00	1-Apr-2025 (Bullet repayment)
Northern Arc	Sub Ordinate Debt (NCD)	65.00	65.00	28-Apr-2025 (Bullet repayment)
Northern Arc	Sub Ordinate Debt (NCD)	10.00	10.00	20-Sep-2022 (Bullet repayment)
Northern Arc	Sub Ordinate Debt (NCD)	35.00	35.00	30-Sep-2025 (Bullet repayment)
Karvy Capital	Sub Ordinate Debt (NCD)	25.00	25.00	25-Oct-2026 (Bullet repayment)
<b>Grand Total</b>		<b>210.00</b>	<b>210.00</b>	

c. **Details of Non-Convertible Debentures as of March 31, 2020**

(Rs in Crores)

Debenture Series	Tenor (Mths)	Coupon (%)	Amount	Date of allotment	Redemption Date/Schedule	Credit Rating	Secured/Unsecured	Security
INE808K08012	72 months	14.25%	10	19-Sep-16	20-Sep-22	A- by CARE Ratings	Unsecured	NA
INE808K08046	85 months	13.50% for initial 43 months and 13.25% for remaining 42 months	65	28-Mar-18	28-Apr-25	A- by CARE Ratings	Unsecured	NA
INE808K08053	85 months	13.50% for initial 43 months and 13.25% for remaining 42 months	35	14-Aug-18	30-Sep-25	A- by CARE Ratings	Unsecured	NA
INE808K08061	84 months	14.55%	25	25-Oct-19	25-Oct-26	A- by CARE Ratings	Unsecured	NA

d. **List of Top 10 Debenture Holders (as on March 31, 2020)**

Rs in Crores

Sl.	Name of Debenture Holders	Amount
1	Northern Arc Capital	110
2	Karvy Capital	25

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

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

Rs in Crores

Sl.	Name of Party	Corporate Guarantee Amount
1	DMI Finance	13.11
2	IndusInd Bank for BC arrangement	0.75

f. **Details of Commercial Paper:**

The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in the following table:

Sl.	Maturity Date	Amount Outstanding
	Nil	

g. **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2020:**

Party Name (In case of Facility)/Instrument Name	Type of Facility/Instrument	Amount Sanctioned/Issued (in crores)	Principal Amount Outstanding	Repayment Date/Schedule	Credit Rating	Secured/Unsecured	Security
			Nil				



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

**NIL**

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

**NIL**

- j. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

- a) statutory dues: There is no material litigation which will impact the business of the Company. NIL
- b) debentures and interest thereon; NIL
- c) deposits and interest thereon; NIL
- d) loan from any bank or financial institution and interest thereon. NIL

#### **4.10 Disclosures with regard to Litigation**

- A. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last three years immediately preceding the year of the circulation of the Shelf Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed

**NIL (other than those disclosed in the audited financial statements)**

- B. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Shelf Disclosure Document in the case of Company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Shelf Disclosure Document and if so, section-wise details thereof for the Company and all of its subsidiaries.

**NIL**

- C. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

**Nil.**

#### **4.11 Details of Promoters of the Company:**

- a. **Details of Promoter Group Holding in Company as on latest quarter end, i.e. March 31, 2020:**

Sl.	Name of Shareholders	Total No. of Equity shares	No. of shares held in Demat form	Total Shareholding as % of total no. of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Aavishkaar Venture Management Services Private Limited	2,38,11,394	2,38,11,394	21.58%	Nil	Nil
2	Intellectual Capital Advisory Services Pvt Ltd	1,64,72,146	1,64,72,146	14.93%	Nil	Nil



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

*[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009] (as may be amended, modified or restated from time to time)*

Rs in Crores

Profit and Loss Statement (INR)	31.03.2017	31.03.2018	31.03.2019
	Audited	Audited	Audited
Revenue from Operations	210.45	3.2169	631.03
<b>Expenses</b>			
Depreciation / Amortization	1.31	3.05	4.10
Personnel Expenses	43.85	69.16	117.39
Administrative Expenses	21.98	37.26	65.66
Loan Loss Provisions & Write Offs	8.03	48.55	40.69
<b>Sub-Total</b>	<b>75.18</b>	<b>158.02</b>	<b>227.83</b>
<b>Profit before Interest &amp; Tax</b>	<b>135.27</b>	<b>163.66</b>	<b>403.19</b>
Interest & Other Financial Charges	98.78	123.57	253.61
<b>Operating profit before Tax (OPBT)</b>	<b>36.50</b>	<b>40.09</b>	<b>149.59</b>
Add: Other Non-operative Income			
1. Interest & Dividend	1.45	1.88	3.62
2. Other Misc. Income	3.09	3.44	
Non-Operating Income	4.54	5.33	3.62
<b>Profit before Tax (PBT)</b>	<b>41.03</b>	<b>45.42</b>	<b>153.21</b>
Provision for Taxes adjusted for deferred tax	13.57	15.75	41.13
Less: Exceptional item			
<b>Net Profit (PAT)</b>	<b>27.46</b>	<b>29.67</b>	<b>112.08</b>
Retained Profit	27.46	29.67	112.08

Rs. In Crores

Profit and Loss Statement (INR)	30.12.2019
	Audited (As Per IndAS)
Revenue from Operations	691.85
<b>Expenses</b>	
Depreciation and amortization expenses	4.94
Employee benefits expenses	115.07
Administrative Expenses	49.21
Impairment on financial instruments	86.12
<b>Sub-Total</b>	<b>255.36</b>
<b>Profit before Interest &amp; Tax</b>	<b>436.50</b>
Finance costs	280.49
<b>Operating profit before Tax (OPBT)</b>	<b>156.00</b>
Add: Other Non-operative Income	9.71
<b>Profit before Tax (PBT)</b>	<b>165.72</b>
Provision for Taxes adjusted for deferred tax	40.99
Less: Exceptional item	
Add: Other Comprehensive Income	3.77
<b>Net Profit (PAT)</b>	<b>128.49</b>
Retained Profit	128.49

Rs in Crores



Particulars	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Equity Share Capital	82.27	88.22	101.16
Preference Share Capital	-	-	-
Reserves and Surplus	258.90	292.22	580.06
<b>Net Worth (A)</b>	<b>341.17</b>	<b>380.45</b>	<b>681.22</b>
<b><u>Non-current liabilities</u></b>			
Term Loans	408.71	906.25	1,269.35
Long term provision	5.02	28.71	31.20
Other Long-term liabilities	0.65	3.83	13.84
<b>Sub-Total (B)</b>	<b>414.38</b>	<b>938.80</b>	<b>1,314.39</b>
<b><u>Current liabilities</u></b>			
Short-term borrowings	67.95	234.17	242.76
Current maturities of long-term borrowings	336.89	724.65	1,441.63
Other current liabilities	40.60	76.91	166.79
Short-term provisions	8.44	1.04	16.52
<b>Sub-Total (c)</b>	<b>453.89</b>	<b>1,036.77</b>	<b>1,867.70</b>
<b>TOTAL LIABILITIES (A+B+C)</b>	<b>1,209.44</b>	<b>2,356.02</b>	<b>3,863.32</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Gross Fixed Assets	0.00	0.00	23.03
Tangible assets	5.35	9.30	
Intangible assets	2.34	5.34	
Capital work-in-progress	2.48	0.00	
Sub-Total	10.18	14.64	
Less: Accumulated Dep. on FA	2.76	4.31	11.26
<b>Net Fixed Assets</b>	<b>7.42</b>	<b>10.33</b>	<b>11.77</b>
Non-current investments	0.05	0.05	0.05
Loan to customers	71.39	452.31	914.90
Long-term loans and advances	1.11	0.91	3.96
Other non-current assets including deferred tax	71.26	57.09	70.79
<b>Sub-Total</b>	<b>151.24</b>	<b>520.69</b>	<b>1,001.47</b>
<b>Current assets</b>			
Current investments		0.02	
Loan to customers	838.85	1,605.24	2,575.45
Cash and bank balances (including collateral security)	190.54	177.90	207.78
Short-term loans and advances	6.86	14.09	16.61
Other current assets	21.96	38.07	62.00
<b>Sub-Total</b>	<b>1,058.20</b>	<b>1,835.32</b>	<b>2,861.85</b>
<b>TOTAL ASSETS (A+B)</b>	<b>1,209.44</b>	<b>2,356.01</b>	<b>3,863.32</b>

Rs. In Crores

Particulars	As at Dec 31, 2019 (As per IndAS)
<b><u>EQUITY AND LIABILITIES</u></b>	
<b>Shareholders' funds</b>	
Equity share capital	110.32
Preference share capital	0.00
Other equity	845.03
<b>Net Worth (A)</b>	<b>955.35</b>
<b><u>Financial liabilities</u></b>	
Debt securities	0.00
Borrowings (other than debt securities)	3317.60
Subordinated liabilities	216.18



Others financial liabilities	118.54
<b>Sub-Total (B)</b>	<b>3652.32</b>
<b>Non-financial liabilities</b>	
Current tax liabilities (Net)	0.00
Deferred tax liability (Net)	0
Provisions	10.38
Other non-financial liabilities	32.09
<b>Sub-Total (c)</b>	<b>42.48</b>
<b>TOTAL LIABILITIES (A+B+C)</b>	<b>4,650.15</b>
<b>ASSETS</b>	
<b>Financial assets</b>	
Cash and cash equivalents	445.92
Bank balance other than cash & cash equivalents	117.01
Loans	3995.80
Investments	0.00
Other financial assets	39.19
<b>Sub-Total (A)</b>	<b>4597.91</b>
<b>Non-financial assets</b>	
Current tax assets (Net)	6.66
Deferred tax assets (Net)	15.54
Property, Plant and Equipment	6.47
Intangible assets under development	0.60
Other Intangible assets	12.97
Other non-financial assets	10.00
<b>Sub-Total (B)</b>	<b>52.24</b>
<b>TOTAL ASSETS (A+B)</b>	<b>4650.15</b>

## Cash Flows

Please refer Annexure V

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

*[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009 (as may be amended, modified or restated from time to time)].*

Please refer Annexure VI

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

Other than as disclosed in this financial statement, there are no other material events or developments or changes at the time of this Issue or subsequent to the Issue which may affect the Issue or the investors' decision to invest/ continue to invest in the Issue.

### 4.15 Names of the Debentures Trustees and Consents thereof

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

### 4.16 Rating



The Rating Agency has assigned ratings of “CARE A- (Stable Outlook)” (pronounced as CARE Single A Minus with Stable Outlook) by CARE Ratings Limited to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating letter and rationale from the Rating Agency is provided in Annexure II of this Shelf Disclosure Document

*The Issuer /Investor reserves the right to obtain an additional credit rating at any time during the tenure of the Debentures from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the Issue.*

*Also the Issuer reserves the right to substitute the prevailing Credit Rating to the Issue, with a credit Rating which shall be at least equivalent to the prevailing credit rating to the issue, by an alternative SEBI registered Credit Rating Agency, for full or part of the issue size, subject to the prevailing relevant regulation/rules, etc.*

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

Not applicable

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

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

*The Company shall forward the listing application to the designated exchange within the 20 days from the deemed date of allotment(s).*

*In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment(s), The Issuer shall pay penal interest of at least 1% p.a. over the Coupon Rate till the listing of the Debentures from 30 days from the Deemed date of allotment*

#### **4.18 Other details:**

- a. **Debenture Redemption Reserve Creation:**

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

- b. **Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act 2013 including the notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable RBI guidelines.

- c. **Application process:**

The application process for the Issue is as provided in SECTION 7: of this Shelf Disclosure Document.





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

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

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

Sl.	Nature of Contract
1	Certified true copy of the Memorandum of Association & Articles of Association of the Issuer.
2	Board Resolution dated May 21, 2020 authorizing the issue of Debentures offered under terms of this Disclosure Document.
3	Shareholder Resolution dated August 05, 2019 authorizing the issue of non-convertible debentures by the Company.
4	Copies of Annual Reports of the Company for the last three financial years.
5	Credit Rating letter from the Rating Agency
6	Letter from Trusteeship Services Limited giving its consent to act as Debenture Trustee
7	Letter for Register and Transfer Agent.
8	Certified true copy of the Certificate of Incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

#### 4.20 Details of Debt Securities sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of INR. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

Please refer to **Annexure I** to this Shelf Disclosure Document for further details on the Issue.

#### 4.21 Issue Size

The aggregate issue size for the Debentures is. INR. 175,00,00,000/- (Rupees (Rupees One Hundred Seventy-Five Crores Only) Crores Only)

#### 4.22 Price at which the security is being offered

Each Debenture has face value of INR.10 Lakh each.

#### 4.23 Name and address of the valuer who performed valuation of the security offered

The security being in the nature of debentures and being issued at par, are not required to be valued by a valuer.

#### 4.24 Underwriting

The present issue of Debentures is on private placement basis and has not been underwritten.

#### 4.25 Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects

This being an Issue of NCDs, promoters or director's contribution is not required.

#### 4.26 Objects & Utilization of the Issue Proceeds

The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending purpose and shall not be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.



The Issuer undertakes that proceeds of this issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 including *inter alia*:

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

#### 4.27 Principle Terms of Assets charged as Security

The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ("Company's Receivables") to be executed between the Company and the Debenture Trustee as described herein. The said receivables or assets would be created out of the proceeds of the Issue for minimum of 1.10 times of NCD outstanding. The said assets would include various classes of loan assets of the Company including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, etcetera. Up to 90 days to be allowed for creation of said loan assets. No other security (fixed deposits, cash collateral, personal guarantee, corporate guarantee, et cetera)

The Issuer undertakes:

1. Company's Receivables must be standard
2. Company's Receivables are existing at the time of selection, and have not been terminated or prepaid
3. Company's Receivables should not have been restructured or rescheduled
4. Company's Receivables are free from all Encumbrances and are not subject to any lien or charge;
5. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.
6. The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;
7. The Company's Receivables generated from lending to Issuer's associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party.

The Issuer shall during the entire tenor of NCDs, maintain a Minimum-Security Cover of 1.10 times (on the outstanding NCD amount of the Debentures, as per applicable law) or such cover as specifically mentioned in the respective Issue Addendum for each Series. In case of conflict between this Shelf Disclosure Document and the Issue Addendum, the provisions as mentioned in the Issue Addendum for respective series shall prevail and override the provisions mentioned elsewhere.

Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 60 days from the day such cover falls below the required cover.

The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.

The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation within three months from the Issue Closure Date. If the Issuer fails to execute the Debenture Trust Deed & Deed of Hypothecation, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum above the applicable



Interest Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Deemed Date of Allotment until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.

#### **4.28 Minimum Subscription**

As the current issue of NCDs is being made on private placement basis, the requirement of minimum subscription as described in the SEBI Guidelines shall not be applicable and therefore the Company shall not be liable to refund the Issue subscription(s)/proceed(s) in the event of the total issue collection falling short of Issue size or certain percentage of Issue size.

#### **4.29 Right to Re-purchase and Re-issue the Debenture**

The Company, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place.

Further the Company, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

#### **4.30 Status of Debentures**

The Debentures shall rank pari passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall also, as regards the principal amount of the Debentures, interest and all other monies secured in respect of the Debentures, rank pari passu with all other present and future holders of debentures issued by the Company in the same category.

#### **4.31 Disclosure Clause**

In the event of default in the repayment of the principal and/or interest on the NCDs on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or the Reserve Bank of India and/or SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement

#### **4.32 Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

#### **4.33 Conflict**

In case of any repugnancy, inconsistency or where there is a conflict between the conditions/covenants as are stipulated in this document and any transaction document/s to be executed by the Company, the provisions mentioned in the Debenture Trust Deed shall prevail and override the provisions mentioned elsewhere.

#### **4.34 Interpretation**

The terms and conditions mentioned in this shelf disclosure document are to be read and understood in conjunction with the terms contained in the other transaction documents to be executed by the Company of this Issue. PROVIDED THAT, in the event of any conflict between this Shelf Disclosure Document and/or the



Term Sheet(s), the Term Sheet shall prevail for the purposes of the series of Debentures issued thereunder. PROVIDED FURTHER THAT, in the event of any conflict between this Shelf Disclosure Document, the Term Sheet(s) and/or the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.



## SECTION 5: TRANSACTION DOCUMENTS AND KEY TERMS

### 5.1 Transaction Documents

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

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

### 5.2 Representations, Warranties and Covenants of the Issuer

#### 1. Utilization of proceeds of the Debentures

The Company shall utilize the moneys received towards subscription of the Debentures for the Purpose and procure and furnish to the Debenture Trustee a certificate from a registered chartered accountant in respect of the utilisation of funds raised by the issue of the Debentures;

#### 2. Representations and Warranties

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Deed and during the term of the Debentures.

##### (a) *Status*

- i. It is a Company, duly incorporated, registered and validly existing under the Laws of India.
- ii. It is registered as a Non-Banking Finance Company ("**NBFC**") with the RBI.
- iii. It and each of its subsidiaries (as defined under the Act) has the power to own its Assets and carry on its business as it is being conducted.

##### (b) *Binding obligations*

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

##### (c) *Non-conflict with other obligations*

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

- i. any law or regulation applicable to it;
- ii. its Constitutional Documents; or
- iii. any agreement or instrument binding upon it or any of its Assets.

##### (d) *Power and authority*

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

##### (e) *Validity and admissibility in evidence*



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

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

**(f) *No default***

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

**(g) *Pari passu ranking***

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

**(h) *No proceedings pending***

Except as disclosed by the Company in its Shelf Disclosure Document, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect. Other than those disclosed in the audited financial statements.

**(i) *No misleading information***

- (A) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (B) It has disclosed all information in the Shelf Disclosure Document that is relevant for the Applicants to apply for subscription of the Debentures.

**(j) *Compliance***

- (i) The Company has complied with Law and there has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action. Other than those disclosed in the audited financial statements
- (ii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC and obtain all consents and approvals required for the completion of the Issue.

**(k) Assets**

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

**(l) Financial statements**

- i. Its financial statements most recently supplied to the Debenture Trustee as on March 31, 2019, which were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- ii. Its financial statements most recently supplied to the Debenture Trustee as on March 31, 2019, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.
- iii. It has disclosed all its borrowings from various banks and financial institutions in the Debt Disclosure Document.

**(m) Solvency**

- i. The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the applicable Law, nor in any such case, will it become so in consequence of entering into this Deed or any other Transaction Document.
- ii. The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its indebtedness.
- iii. The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- iv. The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

**(n) No immunity**

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

**(o) Legal and Beneficial Ownership**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN: U74140WB1991PLC053189 on the website <http://www.mca.gov.in/mcafoportal/viewIndexOfCharges.do> under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

**(p) Compliance with Laws**

The Company and its affiliates are in compliance in all respects with all applicable Laws, including but not limited to environmental, social and taxation related laws, for them to carry on their business.





(q) ***Anti-terrorism Laws***

The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti- Money Laundering.

(r) ***No Corrupt Practices***

Neither the Company nor its Promoter(s) or affiliates have indulged in any corrupt practices pertaining to the business such as fraud, misappropriation of financial and other resources or gains unreported in the audited financial statements

(s) ***Taxation***

(i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld; other than those disclosed in the audited financial statements

(ii) The Company is not overdue in the filing of any Tax returns. other than those disclosed in the audited financial statements

(iii) No material claims are likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect, as in the opinion of the Legal Counsel of the Company. other than those disclosed in the audited financial statements

(t) ***Disclosures in Shelf Disclosure Document***

The extent of disclosures made in the Shelf Disclosure Document is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) ***Audit***

The Company Annual Accounts are audited by an Auditor from a reputable firm of an Independent Chartered Accountants.

(v) ***Good Business Standard***

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(w) ***Proper book-keeping and accounting***

The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) ***Employees***

The Company is in compliance with all obligations under the applicable labour laws and other applicable Laws in relation to its employees.

(y) ***Compliance with RBI/SEBI Regulations and the Act's Requirements***

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable to issue of unsecured debt/bonds. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be



amended by the Company and the Debenture Trustee by executing an amendment to the Deed and the Debenture Holders shall have no right to raise any objection thereto.

### 3. Affirmative Covenants

The Company shall:

1. Utilise the proceeds of this issue in accordance with applicable laws and regulations
2. Comply with corporate governance, fair practices code prescribed by RBI
3. Notification of any potential Event of Default or Event of Default
4. Obtain, comply with and maintain all licenses/authorizations
5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation)
6. Maintain internal control for the purpose of i) preventing fraud on monies lent by the company; and ii) preventing money being used for money laundering or illegal purposes
7. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them
8. Comply with any monitoring and/so servicing requests from Debenture Holders

### 4. Negative Covenants

The Issuer shall not undertake to do any of the following:

- i. M&A, acquisition, restructuring, amalgamation without prior written consent to Debenture Holders over and above 10% of the Networth of the Issuer in a financial year
- ii. The Issuer shall not, without the written consent to Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.
- iii. The issuer will not reduce its share capital without the Debenture Holders' prior written consent
- iv. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee
- v. Issuer shall not change its financial year-end from 31<sup>st</sup> March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee. This consent would not be required if the change is regulatory or statutorily mandated.
- vi. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with prior written consent to the debenture holder
- vii. No dividend, if an Event of Default has occurred and is subsisting.
- viii. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without prior consent to NCD holders

### 5. Register of Debenture Holders

A Register of Debenture Holders shall be maintained at the registered office of the Company or with their Registrar & Transfer Agents and the Register of Debenture Holders/ the Register of Beneficial Owners, shall be closed fifteen (15) days prior to each Interest Payment Date, the Final Redemption Date.

In case of dissolution/bankruptcy/insolvency/winding up of Debenture Holders, the debenture certificates shall be transmittable to the legal representative(s) / successor(s) or the liquidator as the case may be in accordance with the applicable provisions of Law on such terms as may be deemed appropriate by the Company.

### 6. Costs

All expenses incurred by the Debenture Trustee prior to or following the occurrence of an event of default, including in connection with:

- (a) collection of amounts due under the Transaction Documents; or
- (b) engaging all intermediaries; or
- (c) all expenses in relation to issue of Debentures; or



- (d) legal costs; or
  - (e) stamp duty on any Transaction Documents,
- shall be payable by the Company.

## 7. Discretionary Audit

The Company agrees to the Debenture Trustee or any person authorised by it and/or any Debenture Holder or any person authorised by it conducting an audit on the review of collection standards, management, governance, internal systems and processes, and data integrity of the Company at any time on or prior to the Final Redemption Date. The scope of such audit shall *inter alia* cover visit to operational (field) areas of the Company as well as the head office and/or any regional or state level or other branch offices and discussions with employees of the Company as well as with clients of the Company.

## 8. Events of Defaults

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents:

- a. The Issuer does not pay on the Due Date(s) any amount payable pursuant to the Trust Deed of the Debentures at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (one) calendar day of its due date;
- b. The Issuer fails to create charge and perfect the security within stipulated timeline.
- c. Non- Maintenance of the stipulated minimum-security cover.
- d. Except for point (i), (ii) & (iii) ,the breach of any terms, covenants (including but not limited to negative covenants, affirmative covenants, reporting covenants), obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents including maintenance of Security Cover and such breach has continued for a period of 30 calendar days
- e. The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;
- f. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee / Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.
- g. There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 30 calendar days.
- h. Non-sharing of information of the Company as per the “Reporting Covenant” within stipulated timelines or such other information required by the Debenture Trustee/ Debenture Holder from time to time
- i. Any corporate action, legal proceedings or other procedure or step is taken in relation:
  - (a) the suspension of payments, , winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
  - (b) composition, compromise, assignment or arrangement with any creditor of the Company;
  - (c) the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer,
  - (d) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction
  - (e) any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above.
- j. The Shelf Disclosure Document or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.



- k. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.
- l. The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.
- m. Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Company or of its share capital, or takes any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on all or a substantial part of its business or operations.
- n. The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof
- o. The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date if it gets listed, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holder(s).
- p. The Company ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.
- q. Insolvency, winding up, liquidation.
- r. Erosion of 50% or more of the Company's Net-worth.
- s. Creditor's processes initiated against the Issuer
- t. Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Issuer/Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer.
- u. The Promoter/s or the Directors or the Key Managerial Personnel of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or declared as wilful defaulters which otherwise impinges on the integrity of the promoter/s and/or director or key managerial personnel; including any accusations, charges and/or convictions of any offence relating to bribery
- v. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days
- w. Cross default:

An event of default shall arise if the Company/Promoter of the Issuer:

- a. defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or
- b. defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or
- c. due to any default or an event of default, any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.



Upon occurrence of any of the aforesaid Event of Default, the Debenture Trustee may by a notice (unless instructed otherwise by the any of the Debenture Holders) in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:

- i. require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid Coupon, and other costs, charges and expenses incurred under or in connection with the Transaction Documents;
- ii. declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable)
- iii. accelerate the redemption of the Debentures;
- iv. enforce such security in such a manner as the Debenture Holders may deem fit;
- v. Appoint a nominee director in accordance with the applicable Laws;
- vi. Exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

## **9. Dividend**

As long as Event of Default subsists, then until the rectification of the Event of Default or until the redemption of the Debentures in full to the satisfaction of the Debenture Trustee, the Company shall not, without the prior written consent of the Majority Debenture Holders, declare or pay any dividend or make any distribution of its share capital or purchase or redeem or otherwise acquire any part of its own share capital or in any other way transfer funds from the Company to the shareholders.

## **10. Notice on the Occurrence of an Event of Default**

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has happened, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such Event of Default, or of such event.

## **11. Right to Disclose/Publish the Names of the Company and its Directors as Defaulters**

In the event of the Company committing default in the repayment of any instalment in relation to the Debentures or the payment of interest on the applicable Due Dates, the Debenture Holders/Debenture Trustee shall have an unqualified right to disclose the name of the Company and its directors to RBI/or any other statutory/regulatory authority. The Trustee and/or RBI and/or any other Governmental Authority shall have the right to publish the name of the Company and its directors as defaulters in such manner and through such medium as they in their absolute discretion may think fit.



## SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

- A. **Name of the Bank declaring the entity as a Wilful Defaulter:** N.A
- B. **The year in which the entity is declared as a Wilful Defaulter:** N.A
- C. **Outstanding amount when the entity is declared as a Wilful Defaulter:** N.A
- D. **Name of the entity declared as a Wilful Defaulter:** N.A
- E. **Steps taken, if any, for the removal from the list of wilful defaulters:** N.A
- F. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** N.A
- G. **Any other disclosure as specified by the Board:** N.A



## SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS

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

### 7.1 Mode of Transfer/Transmission of Debentures

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

### 7.2 Debentures held in Dematerialised Form

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

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

### 7.3 Trustee for the Debenture Holder(s)

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

### 7.4 Sharing of Information

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

### 7.5 Debenture Holder not a Shareholder





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

#### **7.6 Modification of Debentures**

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

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

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

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

#### **7.7 Right to accept or reject Applications**

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

#### **7.8 Notices**

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

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

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) calendar days after posting; (b) in the case of electronic mail, at the time of sending; (c) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (d) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (e) in the case of personal delivery, at the time of delivery.

#### **7.9 Issue Procedure**

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

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

#### **7.10 Application Procedure**

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Shelf Disclosure Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of



Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

#### 7.11 Fictitious Applications

All fictitious applications will be rejected.

#### 7.12 Basis of Allotment

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

#### 7.13 Payment Instructions

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

Beneficiary A/C Name:	Arohan Financial Services Limited
Bank Account No.	914020055985158
IFSC CODE:	UTIB0000011
Bank Name	Axis Bank Ltd.
Branch Address:	Golpark, Kolkata-700019(W B)

#### 7.14 Eligible Investors

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

- i. Mutual Funds
- ii. Non-Banking Financial Companies
- iii. Provident Funds and Pension Funds
- iv. Trust inclusive of public charitable trust subject to their investment guidelines
- v. Corporates
- vi. Banks
- vii. Insurance Companies
- viii. Investment holding companies of high net worth individuals
- ix. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

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

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

#### 7.15 Procedure for Applying for Dematerialised Facility

- a. The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- b. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".



- c. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- d. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- e. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- f. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- g. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- h. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

#### **7.16 Depository Arrangements**

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

#### **7.17 List of Beneficiaries**

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

#### **7.18 Application under Power of Attorney**

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

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

#### **7.19 Procedure for application by Mutual Funds and Multiple Applications**

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

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



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

#### **7.20 Documents to be provided by potential Investors**

Potential Investors need to submit the following documents, as applicable

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

#### **7.21 Applications to be accompanied with Bank Account Details**

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

#### **7.22 Succession**

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator of the concerned Debenture Holder(s), or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

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

#### **7.23 Mode of Payment**

All payments must be made through cheques, demand drafts, EFT/RTGS as set out in the Application Form.

#### **7.24 Effect of Holidays**

If any Due Date falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day, except if such Due Date is for the Redemption Amount, in which case the payment to be made on such Due Date shall be made on the immediately preceding Business Day.

#### **7.25 Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar & Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Interest will be paid to the Debenture Holder subject to deduction of tax deducted at source at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holders, the Company must give written notice to the Debenture Holders (with a copy to the Debenture Trustee) as soon as it becomes aware of such change.

#### **7.26 Letters of Allotment**

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

**7.27 Business Day Convention**

Any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) and on which money market is functioning in Mumbai shall be a “Business Day.”

If any Coupon Payment Date or the Due Date (s) for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment

**7.28 Deemed Date of Allotment**

The Deemed Date of Allotment of the Debentures comprised in each Series will be as specified in the relevant Term Sheet (s) issued for that Series

All benefits relating to the Debentures will be available to the investors from the respective Deemed Date of Allotment(s). The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches / series which shall form the part of this Issue. In case, the Issue closing date is changed (preponed/ postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Company at its sole and absolute discretion.

**7.29 Record Date**

The Record Date will be 15 (Fifteen) days calendar days prior to any Due Date.

**7.30 Refunds**

Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount. Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant and the cheque/ draft towards interest on the refunded money will be dispatched by registered post, courier or by way of RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant. In all cases, the interest instruments will be sent, at the sole risk of the Applicant. In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

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

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

**7.31 Interest on Application Money**

At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.

**7.32 Interest on NCDs**



The Debentures shall carry coupon at the rate as specified in the relevant term sheet issued for that series (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) accrued to the holders of Debentures (the “Holders” and each, a “Holder”) as of the relevant Record Date. The interest payable on any Coupon Payment Date will be paid to the Debenture holder(s) whose names appear in the list of beneficial owners given by the Depository to the Company as on the Record Date.

Interest shall be computed on the amount outstanding on an Actual/ Actual day count basis, i.e. actual number of days elapsed divided by the actual number of days in the year.

If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above interest payment date may also be revised pre-poned/ postponed) accordingly by the Company at its sole and absolute discretion.

In case of default in payment of coupon and/or principal or redemption on the due dates, additional interest of at least at the rate of 2% per annum over the Coupon Rate will be payable by the Company for the defaulting period.

### **7.33 Future Borrowing**

The Company shall be entitled to make further issue of secured non-convertible debentures and/or raise term loans or raise further funds, in any manner as deemed fit by the Company, from time to time from any persons/banks/financial institutions/body corporate or any other agency as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities.

The Company may also issue secured non-convertible debentures under the same ISIN(s) for the current and the future issues in accordance with the SEBI circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017 on “Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and any further clarification/ amendments/circular issued thereafter. The Company reserves the right to make multiple issuances under the same ISIN with said circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017

### **7.34 PAN Number**

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

### **7.35 Redemption**

The face value of the Debentures will be redeemed at par.

If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.

The Debenture holders may at the request of the Company in suitable circumstances and also in the absolute discretion of the Debenture holders, subject to the statutory guidelines as may be applicable for the purpose, revise / pre pone / postpone redemption of the Debentures. Or any part thereof on such terms and conditions as may be decided by the Company in consultation with the Debenture holders (see Modification of Rights).





### 7.36 Payment on Redemption

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

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

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

#### Cash flow from Debentures

As per SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, illustrative cash flow for debentures is as under:

Company	XYZ Limited
Face Value (per security)	1,00,000
Issue Date/Date of Allotment	13-11-2013
Redemption	13-11-2018
Coupon Rate	8.95%
Frequency of the Interest Payment with specified dates	First Interest on 13.11.2014 and subsequently on 13th November every year till maturity
Day Count Convention	Actual / Actual

#### Illustrative Cash Flows

	Date	No. of days in Coupon Period	Amount (in Rupees)
1st Coupon	Thursday, 13 Nov 2014	365.00	8,950.00
2nd Coupon	Friday, 13 Nov 2015	365.00	8,950.00
3rd Coupon	Sunday, 13 Nov 2016*	366.00	8,950.00
4th Coupon	Sunday, 13 November 2017	365.00	8,950.00
5th Coupon	Tuesday, 13 Nov 2018	365.00	8,950.00
Principal	Tuesday, 13 Nov 2018	365.00	1,00,000.00
			1,44,750.00

*\*F.Y. 2016 is a leap year and the coupon payment date is falling on a Sunday, therefore the coupon is paid on next Business Day Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. The Issuer shall consider a Financial Year format for the purpose of a Leap Year*

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



**SECTION 8: DECLARATION**

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

For **AROHAN FINANCIAL SERVICES LIMITED**

ANIRUDH  
SINGH  
THAKUR

Digitally signed by  
ANIRUDH SINGH  
THAKUR  
Date: 2020.06.24  
15:48:07 +05'30'

Authorised Signatory

Name: Anirudh Singh G Thakur

Title: Head- Legal, Compliance & Company Secretary

Date: June 11, 2020

**ANNEXURE I: TERM SHEET**

Issuer	Arohan Financial Services Limited (Issuer/Company/AFSL)
Type of Instrument	Secured Senior Rated Redeemable Listed Non-Convertible Debentures (NCDs/Debentures)
Nature of the Instrument	Secured
Mode of Issue	Private placement
Objects & Details of the utilization of the Proceeds	The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending purposes., towards various classes of loan products of the Company, including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, et cetera. Up to 90 days (from the deemed date of allotment) will be allowed for utilization.
Rating of Instrument	“Care A- (Stable Outlook)” by CARE Ratings Ltd  <i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i>
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar & Transfer Agent	Link Intime India Pvt Limited
Eligible Investors	As mentioned in this Shelf Disclosure Document under captioned “Eligible Investor”
Face Value	INR. 10,00,000/- (Rupees Ten Lakhs only) each.
Series	As per Issue Addendum
Issue Size	As per Issue Addendum
Issue Price	As per Issue Addendum
Tenor	As per Issue Addendum
Coupon Type	As per Issue Addendum
Coupon Rate	As per Issue Addendum
Coupon Payment Frequency	As per Issue Addendum
Coupon Payment dates	As per Issue Addendum
Coupon Reset Process	As per Issue Addendum
Step Up/Step Down	As per Issue Addendum
Redemption Date	As per Issue Addendum
Redemption Amount	As per Issue Addendum
Redemption	As per Issue Addendum
Redemption Premium/Discount	As per Issue Addendum
Discount at which security is issued and the effective yield as a result of such discount.	As per Issue Addendum
Put Date	As per Issue Addendum
Put Price	As per Issue Addendum
Put Option Notice	As per Issue Addendum
Call Date	As per Issue Addendum
Call Price	As per Issue Addendum
Call Option Notice	As per Issue Addendum
Put Notification Time	As per Issue Addendum
Call Notification Time	As per Issue Addendum
Security & Security Cover	As mentioned in this Shelf Disclosure Document under captioned “Principle Terms of Asset Charged”



Material Adverse Effect definition	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
Day Count Basis	Actual / Actual
Interest on Application Money	At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
Listing	The Debentures are proposed to be listed on the WDM Segment of the BSE  In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1 % p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.
Representations and Warranties of the Issuer	As mentioned in the caption titled "Representations and Warranties of the Issuer" in the Shelf Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/ Any other electronic mode
Depositories	NSDL/CDSL
Business Day	Any day excluding Saturdays, Sundays or public holiday in Mumbai or Kolkata.
Business Day Convention	If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.  If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Transaction Documents	i. Debenture Trustee Agreement ii. Debenture Trust Deed, iii. Deed of Hypothecation iv. Shelf Disclosure Document and Issue Addendums for each tranche/series; v. PAS-4 vi. Undertaking from the Issuer mentioning all the borrowing facilities of the Company are standard in nature. Such other documents as agreed between the Issuer and the Debenture Trustee.
Conditions Precedent to	1. Execution of Shelf Disclosure Document



Disbursement	<ol style="list-style-type: none"> <li>2. Credit Rating Letter &amp; Rationale</li> <li>3. Trustee Consent Letter</li> <li>4. BSE In-principle Approval for Listing</li> <li>5. Resolution of the Company's board of directors authorizing the issuance of debentures;</li> <li>6. Resolution of the shareholders of the Company under 180(1)(c) of the Act</li> <li>7. Resolution of the shareholders of the Company under Section 42 of the Act</li> <li>8. Execution of the Debenture Trustee Agreement</li> </ol>
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> <li>1. the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 10 (ten) Business Days from the Deemed Date of Allotment of the respective Series;</li> <li>2. the Company will ensure listing of Debentures on the BSE within stipulated timelines;</li> <li>3. the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5;</li> <li>4. the Company shall file a copy of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the relevant series of Debentures along with a copy of the Private Placement Offer Letter with SEBI within 30 (thirty) days from the date of the Private Placement Offer Letter</li> <li>5. Execution of Deed of Hypothecation &amp; Debenture Trust Deed within the stipulated timelines</li> <li>6. Filing CHG-9 Form with ROC within stipulated timelines</li> <li>7. Execution of any other documents as customary for transaction of a similar nature and size.</li> </ol>
Default Interest Rate /Additional Interest Rate	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ol style="list-style-type: none"> <li>a) If, at any time, a Payment Default occurs, the Company agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.</li> <li>b) If the Company fails to execute the Debenture Trust Deed and Deed Of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</li> </ol>
Event of Defaults	As mentioned in this Shelf Disclosure Document under captioned "Event of Defaults"
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Mumbai /



	Kolkata. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai / Kolkata and as more particularly provided for in the Debenture Trust Deed.
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• Rating fees</li> <li>• Stamping and registration costs in relation to all Transaction Documents</li> </ul> <p>Any other reasonable transaction related expense incurred by the Debenture Holders</p>
Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> <li>• Relevant taxes, duties and levies are to be borne by the Issuer.</li> <li>• The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</li> </ul>
Issue Timing & Tranche Amount Issue Opening Date Issue Pay-In Date Issue Closing Date Issue Deemed Date of Allotment	As per Term Sheet As per Term Sheet As per Term Sheet As per Term Sheet



## ANNEXURE II: RATING LETTER &amp; RATING RATIONALE



No. CARE/KRO/RL/2020-21/1192

Mr. Manoj Nambiar  
 Managing Director  
 Arohan Financial Services Limited  
 PTI Building, 4<sup>th</sup> Floor, West wing,  
 DP Block, Sector-V, Salt Lake,  
 Kolkata – 700 091

June 1, 2020

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.175 crore of your company. The proposed NCDs would have tenure of 36 months with bullet repayment at the end of 36<sup>th</sup> month.

2. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Non-Convertible Debenture issue	175 (Rs. One hundred and seventy five crore only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is May 29, 2020).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
 Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457  
 Email: [care@careratings.com](mailto:care@careratings.com) • [www.careratings.com](http://www.careratings.com)

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
 10A, Shakespeare Sarani, Kolkata - 700 071  
 Tel: +91-33- 4018 1600 / 02 • Fax: +91-33- 4018 1603

CIN-L67190MH1993PLC071691



5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 Investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by June 02, 2020, we will proceed on the basis that you have no any comments to offer.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating

CARE Ratings Ltd.

3rd Floor, Presad Chambers, (Shagun Mall Bldg.), 10A, Shakespeare Sarani, Kolkata - 700 071  
Tel: +91-33- 4018 1600 / 02 • Fax: +91-33- 4018 1603





downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

11. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.

12. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

(Shobhana Mohanty)  
Analyst  
[Shobhana.mohanty@careratings.com](mailto:Shobhana.mohanty@careratings.com)

(Mamta Mukherjee)  
Assistant General Manager  
[Mamta.khemka@careratings.com](mailto:Mamta.khemka@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



## ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

**IDBI Trusteeship Services Ltd**  
CIN : U65990MH2005GG1131134  
15833/YTSL/OPR/CL/30-31/DEB/188

**IDBI trustee**

Date: June 9, 2020

**Arohan Financial Services Limited ("the Company")**  
PTI Building, 4th Floor, DP-9,  
Sector V, Salt Lake, Kolkata 700 091.

**Kind Attn: Mr. Miled Nera (CEO)**

Dear Sir,

**Subject: Consent to act as Debenture Trustee for the Rated, Listed, Senior, secured and Redeemable Non-Convertible Debentures (NCDs) aggregating up to Rs. 175 Crores proposed to be issued by Arohan Financial Services Limited (the Company/Issuer).**

This is with reference to your email request dated June 04, 2020 and subsequent telephonic conversations and email confirmation on five dates dated June 8, 2020, we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed rated, listed, senior, secured and redeemable NCDs issue aggregating up to Rs. 175,00,00,000 (Rupees One Hundred and Seventy Five Crores Only).

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding three months of closure of the issue or offer.
3. The Company agrees & undertakes to pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the moneys in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been completed with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustee such information in terms of the same on regular basis.
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FI Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer. The Company/Issuer shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not

*cons*

Regd. Office : Asian Building, Ground Floor, 12, R. K. Narain Marg, Ballard Estate, Mumbai - 400 021.  
Tel. : 022-4080 7000 • Fax : 022-6631 1775 • Email : [its@idbitrustee.com](mailto:its@idbitrustee.com) • [response@idbitrustee.com](mailto:response@idbitrustee.com)  
Website : [www.idbitrustee.com](http://www.idbitrustee.com)

**Mr. TAPINDU PALPALLY, CHIEF EXECUTIVE OFFICER**  
*[Signature]*  
Authorized Signatory

covered total investment (and interest provided for herein) made by the Debenture Holder (who is a FI).

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,

For IDBI Trusteeship Services Limited

*[Signature]*  
Authorized Signatory

*[Signature]*  
Authorized Signatory

*[Signature]*  
Authorized Signatory



## ANNEXURE IV: APPLICATION FORM

**Arohan Financial Services Limited**

A limited company incorporated under the Companies Act, 1956

Date of Incorporation: September 27, 1991

Registered Office: PTI Building, 4<sup>th</sup> Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091.

DEBENTURE SERIES APPLICATION FORM SERIAL NO.		-	-	-	-	-		
--	--	---	---	---	---	---	--	--

**Issue of Secured Rated, Listed, Redeemable, Taxable Non-Convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs 175,00,00,000/- (Rupees One Hundred Seventy Five Crores only) on a private placement basis (the "Issue")**

**DEBENTURE SERIES APPLIED FOR:**

Number of Debentures:      In words:      -only

Amount Rs. \_\_\_\_\_/-In words Rupees : \_\_\_\_\_ Only

**DETAILS OF PAYMENT:**

Cheque / Demand Draft / RTGS

No.	Drawn on
-----	----------

Funds transferred to Arohan Financial Services Limited

Dated \_\_\_\_\_

Total Amount Enclosed

(In Figures) Rs. /- (In words) Only

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

[illegible]**APPLICANT'S ADDRESS**[illegible]

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

**WE ARE** ☐ COMPANY ☐ OTHERS ☐ SPECIFY \_\_\_\_\_

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the register of debenture holders.



Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

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

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

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

FOR OFFICE USE ONLY

DATE OF RECEIPT \_\_\_\_\_ DATE OF CLEARANCE \_\_\_\_\_

*(Note: Cheque and Drafts are subject to realisation)*

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

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

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Arranger (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Shelf Disclosure Document to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and the Arranger (and all such persons acting on its or their behalf) and also hold the Issuer and Arranger and each of such person harmless in respect of any claim by any Transferee.



Applicant's  
Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT \_\_\_\_\_ DATE OF CLEARANCE \_\_\_\_\_

(Note : Cheque and Drafts are subject to realisation)

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

**ACKNOWLEDGMENT SLIP**

(To be filled in by Applicant) **SERIAL NO.**

1	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Received from \_\_\_\_\_

Address \_\_\_\_\_

Cheque/Draft/UTR # \_\_\_\_\_ Drawn on \_\_\_\_\_ for Rs. \_\_\_\_\_ on account of application  
of \_\_\_\_\_ Debenture



## ANNEXURE V: CASHFLOWS

Rs. In Crores

Particulars	Year ended	Year ended	Year ended
	31 March 2019	31 March 2018	31 March 2017
<b>Cash flows from operating activities</b>			
Profit before tax	153.21	45.42	41.03
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation expenses	4.10	3.05	1.31
Provisions and write offs	40.69	48.55	8.03
Finance costs	-	123.57	98.78
Liabilities written back	-	(0.04)	(0.03)
Employee stock option compensation	0.01	0.20	0.01
Gain on sale of investments	(0.95)	(2.11)	(2.38)
Loss/ (gain) on sale of property, plant and equipment	0.00	(0.01)	(0.00)
Interest on Income tax refund	-	-	-
<b>Operating profit before working capital changes</b>	197.07	218.63	146.75
<b>Adjustment for changes in working capital:</b>			
Increase in loans to customers	(1,458.11)	(1,158.55)	(325.75)
(Increase) / decrease in long-term loans and advances	0.19	(0.50)	0.87
Increase in short-term loans and advances	(3.24)	(7.07)	(2.24)
(Increase)/decrease in other non-current assets	(3.08)	3.45	(3.46)
Increase in other current assets	(25.52)	(12.69)	(4.37)
Increase/(decrease) in trade payables	-	-	-
Increase in long-term provisions	5.90	9.28	(0.91)
Decrease in short-term provisions	(3.29)	(7.75)	1.24
(Increase)/decrease in margin money deposit (net)	(21.20)	4.89	(12.42)
Increase in other liabilities	101.18	35.25	10.93
<b>Cash used in operating activities</b>	<b>(1,210.10)</b>	<b>(915.05)</b>	<b>(189.35)</b>
Income taxes paid (net of refunds)	(47.95)	(19.69)	(15.04)
<b>Net cash used in operating activities (A)</b>	<b>(1,258.05)</b>	<b>(934.75)</b>	<b>(204.40)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(3.44)	(3.81)	(2.10)
Purchase of intangible assets	(1.92)	(1.45)	(4.31)
Proceeds from sale of property, plant and equipment	0.00	0.04	0.01
Additions to Intangible asset under development	-	-	-
Purchase of investments	(1,372.99)	(1,727.17)	(607.34)
Proceeds from sale of investments	1,373.95	1,729.28	609.72
Decrease/(increase) in other bank balances and restricted deposits	-	-	-
<b>Net cash used in investing activities (B)</b>	<b>(4.39)</b>	<b>(3.12)</b>	<b>(4.01)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity shares	193.59	0.10	155.80
Share issue expenses	(4.30)	-	(2.32)
Proceeds from long-term borrowings	2,096.23	872.07	247.88
Repayment of long-term borrowings	(1,016.14)	-	-
Proceeds from short-term borrowings (net)	8.59	164.09	26.17
Interest and finance charges paid	-	(124.38)	(94.57)
Proceeds from/ (repayments of) working capital facilities	-	-	-



Particulars	Year ended	Year ended	Year ended
	31 March 2019	31 March 2018	31 March 2017
(net)			
<b>Net cash generated from financing activities ( C )</b>	<b>1,277.96</b>	<b>911.88</b>	<b>332.96</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15.52</b>	<b>(25.98)</b>	<b>124.56</b>
Cash and cash equivalents as at the beginning of the year	158.61	182.68	58.13
Add: Increase in cash and cash equivalents due to amalgamation	-	1.91	-
<b>Cash and cash equivalents as at the end of the year (refer note 1)</b>	<b>174.13</b>	<b>158.61</b>	<b>182.68</b>
Note 1:			
Cash and bank balances (Note 19)	207.78	177.90	190.54
Less: Other bank balances	33.66	19.29	7.85
<b>Cash and cash equivalents considered for cash flow</b>	<b>174.13</b>	<b>158.61</b>	<b>182.68</b>

Rs. In Crores

Particulars	9M ended
	31-Dec-19
<b>Cash flows from operating activities</b>	
Profit before tax	<b>171.18</b>
<b>Adjustments to reconcile profit before tax to net cash flows:</b>	
Depreciation, amortization and impairment	4.94
Impairment on financial instruments	86.12
Remeasurements of post-employment benefit obligations	2.21
Fair valuation of financial assets	-7.68
Gain on sale of loan portfolio through assignment	-
Liabilities written back	-0.01
Employee stock option compensation	1.99
Gain on sale of property, plant and equipment	-
Loss on foreign exchange fluctuation	0.00
Loss/ (gain) on sale of property, plant and equipment	
Interest on Income tax refund	
<b>Operating profit before working capital changes</b>	<b>258.76</b>
<b>Adjustment for changes in working capital:</b>	
Increase/ (decrease) in bank balance other than cash & cash equivalents	-29.02
Increase/ (decrease) in loans	-559.04
(Increase)/ decrease in investments	0.03
Increase/ (decrease) in other financial assets	2.50
Increase/ (decrease) other non-financial assets	-1.17
Increase/ (decrease) Others financial liabilities	25.08
Provisions	2.94
Increase/ (decrease) on other non-financial liabilities	-1.62
<b>Cash used in operating activities</b>	<b>-301.53</b>
Income taxes paid (net of refunds)	-57.97
<b>Net cash used in operating activities</b>	<b>-359.50</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	-2.49
Purchase of intangible assets	-3.72
Addition of intangible work in progress	-0.55
Additions to Intangible asset under development	-
<b>Net cash used in investing activities</b>	<b>-6.76</b>





<b>Cash flows from financing activities</b>	
Proceeds from issue of equity shares	-7.65
Issue of equity share capital	7.65
Security premium on issue of equity shares	127.71
Repayment of debt security	-62.46
Proceeds from borrowings (other than debt securities)	541.72
Proceeds from subordinated liabilities	30.99
<b>Net cash generated from financing activities</b>	<b>637.97</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>271.71</b>
Cash and cash equivalents as at the beginning of the year	174.20
<b>Cash and cash equivalents as at the end of the year (refer note 1)</b>	<b>445.92</b>



ANNEXURE VI: FINANCIALS

Please refer point number 4.12 for financial details as on 31<sup>st</sup> Dec 2019

## ISSUE ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT



### AROHAN FINANCIAL SERVICES LIMITED

A public limited company incorporated under the Companies Act, 1956

**Date of Incorporation:** September 27, 1991; **CIN:** U74140WB1991PLC053189

**Registered Office:** PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata - 700091, West Bengal

This Issue Addendum to Shelf Disclosure Document is issued in terms of and pursuant to the Shelf Disclosure Document dated 11<sup>th</sup> June 2020. All the terms, conditions and information as stipulated in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same. This Issue Addendum to the Shelf Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Issue Addendum is dated 17<sup>th</sup> June 2020.

### Broad terms of the Issue

Security Name	11.00% Secured Rated Redeemable Listed Non-Convertible Debentures
Issuer	Arohan Financial Services Limited (Issuer/Company/AFSL)
Type of Instrument	Secured Rated Redeemable Listed Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Arranger	Intellect Advisory Services Private Limited
Objects & Details of the utilization of the Proceeds	The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending purposes, towards various classes of loan products of the Company, including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, etcetera. upto 90 days (FROM the deemed date of allotment) will be allowed for utilization
Rating of Instrument	"CARE A- (Outlook: Stable)" by CARE Ratings Ltd <i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i>
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar & Transfer Agent	Link Intime India Pvt Limited
Eligible Investors	As mentioned in the Shelf Disclosure Document under captioned "Eligible Investor"
Shelf Disclosure Document Size	INR. 175,00,00,000/- (Rupees One Hundred Seventy-Five Crores Only)
Tranche Issue Size	INR. 25,00,00,000/- (Rupees Twenty-Five Crores Only)
Series	A
Face Value	INR. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Issue Price	INR. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Tenor	36 Months from the Deemed Date of Allotment
Upfront fees	INR 18,33,000 plus applicable GST to be paid on pay-in date
Coupon Type	Fixed
Coupon Rate	11.00% p.a.
Coupon Payment Frequency	Annual and on Redemption
Coupon Payment dates	The Coupon shall be payable on an Annual Basis as mentioned below subject to Business Day Convention:

	June 18, 2021	June 18, 2022	June 16, 2023
Coupon Reset Process	N. A		
Step Up/Step Down Coupon Rate	N.A.		
Redemption Date	At the end of 36 months from the Deemed Date of Allotment i.e. June 16, 2023		
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture		
Redemption	Bullet, At Par		
Redemption Premium/ Discount	NA		
Discount at which security is issued and the effective yield as a result of such discount.	N.A.		
Put Date	N.A.		
Put Price	N.A.		
Put Option Notice	N.A.		
Call Date	N.A.		
Call Price	N.A.		
Call Option Notice	N.A.		
Put Notification Time	N.A.		
Call Notification Time	N.A.		
Option for accelerated redemption	N.A.		
Security & Security Cover	<p>The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ("Company's Receivables") to be executed between the Company and the Debenture Trustee as described herein. The said receivables or assets would be created out of the proceeds of the issue to the extent of 1.25 times of NCD outstanding. The said assets would include various classes of loan assets of the Company including micro loans, term loans to other MFIs, MSME loans, various other classes of loan products of the Company, etcetera. Up to 90 days to be allowed for creation of said loan assets. No other security (fixed deposits, cash collateral, personal guarantee, corporate guarantee, etcetera)</p> <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> <li>Company's Receivables must be standard</li> <li>Company's Receivables are existing at the time of selection, and have not been terminated or prepaid</li> <li>Company's Receivables should not have been restructured or rescheduled</li> <li>Company's Receivables are free from all Encumbrances and are not subject to any lien or charge;</li> <li>All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</li> <li>The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;</li> <li>The Company's Receivables generated from lending to Issuer's associate/s &amp; subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party.</li> </ol> <p>The Company undertakes to maintain a Security Cover of 1.25 times on the outstanding NCD amount of the Debentures, as per applicable law, at all times during the tenure of the NCDs.</p> <p>Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a.</p>		

	<p>penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 60 days from the day such cover falls below the required cover.</p> <p>The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation within three months from the Issue Closure Date. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription with agreed rate or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.</p>
Material Adverse Effect definition	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
Day Count Basis	Actual / Actual
Interest on Application Money	At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> <li>Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment.</li> <li>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder.</li> </ul>
Representations and Warranties of the Issuer	As mentioned in the caption titled "Representations and Warranties of the Issuer" in the Shelf Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/ Any other electronic mode
Depositories	NSDL/CDSL
Business Day	Any day excluding Saturdays, Sundays or public holiday in Mumbai or Kolkata.
Business Day Convention	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15

	(Fifteen) calendar days prior to any Due Date.
Transaction Documents	<ul style="list-style-type: none"> <li>i. Debenture Trust Deed,</li> <li>ii. Deed of Hypothecation</li> <li>iii. Shelf Disclosure Document and Issue Addendums for each tranche/series;</li> <li>iv. PAS-4</li> <li>v. Undertaking from the Issuer mentioning all the borrowing facilities of the Company are standard in nature.</li> </ul> <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>
Conditions Precedent to Disbursement	<ul style="list-style-type: none"> <li>1. Execution of Shelf Disclosure Document</li> <li>2. Credit Rating Letter &amp; Rationale</li> <li>3. Trustee Consent Letter</li> <li>4. BSE In-principle Approval for Listing</li> <li>5. Resolution of the Company's board of directors authorizing the issuance of debentures;</li> <li>6. Resolution of the shareholders of the Company under 180(1)(c) of the Act</li> </ul>
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ul style="list-style-type: none"> <li>i. the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 10 (ten) Business Days from the Deemed Date of Allotment of the respective Series;</li> <li>ii. the Company will ensure listing of Debentures on the BSE within stipulated timelines;</li> <li>iii. the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5;</li> <li>iv. the Company shall file a copy of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the relevant series of Debentures along with a copy of the Private Placement Offer Letter with SEBI within 30 (thirty) days from the date of the Private Placement Offer Letter</li> <li>v. Execution of Deed of Hypothecation &amp; Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013</li> <li>vi. Filing CHG-9 Form with ROC within stipulated timelines</li> <li>vii. Execution of any other documents as customary for transaction of a similar nature and size.</li> </ul>
Default Interest Rate/Additional Interest Rate	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ul style="list-style-type: none"> <li>i. If, at any time, a default in payment of Interest and/ or principal redemption on the due dates occurs, the Issuer agrees to pay an additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.</li> <li>ii. If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</li> </ul>
Event of Defaults	As mentioned in the Shelf Disclosure Document under captioned "Event of Defaults".
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors,

	employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Kolkata. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Kolkata and as more particularly provided for in the Debenture Trust Deed.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include: <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• Rating fees</li> <li>• Stamping and registration costs in relation to all Transaction Documents</li> </ul> Any other reasonable transaction related expense incurred by the Debenture Holders
Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> <li>• Relevant taxes, duties and levies are to be borne by the Issuer.</li> <li>• The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</li> </ul>
Issue Timing & Tranche Amount	
Issue Opening Date	June 19, 2020
Issue Pay-In Date	June 19, 2020
Issue Closing Date	June 19, 2020
Issue Deemed Date of Allotment	June 19, 2020

### **Illustration of Bond Cash Flows per Debenture**

Face Value		Rs. 10,00,000				
Coupon Rate		11.00% p.a.				
Months	Date	Net Cash Flow	Principal	Interest	Principal O/s	days
	19 June 2020	(10,00,000)			10,00,000	
12	18 June 2021	1,10,000	-	1,10,000	10,00,000	365
24	18 June 2022	1,10,000	-	1,10,000	10,00,000	365
36	16 June 2023	11,10,000	10,00,000	1,10,000	-	365

### **For Arohan Financial Services Limited**

ANIRUDH  
SINGH  
THAKUR

Digitally signed by  
ANIRUDH SINGH  
THAKUR  
Date: 2020.06.17  
14:02:31 +05'30'

### **Authorized Signatory**

**Name: Anirudh Singh G Thakur**

**Designation: Head- Legal, Compliance & Company Secretary**



## FORM NO PAS-4 PRIVATE PLACEMENT OFFER AND ACCEPTANCE LETTER

[Pursuant to Section 42 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note : This Form No PAS-4 prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 is to be read in conjunction with Section 6 (Regulatory Disclosures) of the Information Memorandum and shall together constitute the "Information Memorandum"

**Issue of 250 (Two Hundred and Fifty) Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) on a private placement basis (the "Issue")**

### 1.1 General Information:

- (a) **Name , address, website and other contact details of the Company, indicating both registered office and the Corporate:**

Issuer / Company: Arohan Financial Services Limited  
Registered Office: PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091  
Corporate Office: PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091  
Telephone No.: 033 4015 6075  
Fax:  
Contact Person: Mr. ANIRUDH SINGH THAKUR  
Email: anirudh.thakur@arohan.in

- (b) **Date of Incorporation of the Company:**

September 27, 1991

- (c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Established in 2006 in Kolkata, Arohan Financial Services Limited, part of the Aavishkaar-Intellectap Group is Eastern India's largest NBFC MFI. As on December 31, 2019, the organisation is operational in fourteen states of which 11 are low-income states across the central, east and north-east India, offering financial inclusion products to nearly 2.2 million under-served clients, through 688 branches with a loan portfolio of over to INR 4646 Cr in microfinance and MSME lending. It has a bank loan rating of A- and MFI grading of MF1 from CARE Ratings. Driven by its mission to empower the underserved through a range of financial services, in a manner sustainable for all stakeholders, Arohan plans to extend its operations and aims to become one of India's 10 best places to work in.

Arohan is one of the few NBFC-MFIs in India to offer loans ranging from INR 10000 to as high as INR 100 lakh. It works with strong, local partners on the ground to further improve its reach in the remotest locations of its focused low-income geographies. Arohan also offers financial safety net products such as and non-financial products to its customers at affordable costs. While it reaches out to the underserved with a range of low-ticket size products, it caters to the retail customer segment with its dedicated MSME lending business, Intellectash.

- (d) **Brief particulars of the management of the Company:**

Board Of Directors			
Sr No	Name	Designation	Experience

Board Of Directors			
Sr No	Name	Designation	Experience
1	Manoj Kumar Narayan Nambiar	Managing Director	Manoj Kumar Nambiar is the Managing Director of our Company. He has been a Director since October 2012. He holds a bachelor's degree in engineering (mechanical branch) from University of Bombay and a master's degree in management studies from University of Bombay. He has also completed the 'Strategic Leadership in Microfinance' course from Harvard Business School, US. Post completion of his management studies in the year 1988, he has worked with various companies in the fields of marketing, consumer finance, retail banking and microfinance across India and the Middle East. Prior to joining our Company, he worked with Xerox India Limited (formerly, Modi Xerox Limited), GE Countrywide, ANZ Grindlays Bank, ABN Amro Bank N.V., National Bank of Oman, Ahli Bank and with Alhamrani Company for Investment in Trade. He was a member of the Governing Board of MFIN, the industry SRO from 2013 and its President in 2015-16. He is currently the member of the Governing Board of MFIN and is a part of the Policy Advocacy Task Force at Sa-Dhan and MFIN.
2	Dinesh Kumar Mittal	Independent Director & Chairman of the board	Dinesh Kumar Mittal is the Independent Non- Executive Chairman of our Board. He holds a master's degree in physics from University of Allahabad. He joined the Indian Administrative Services in July 1977 and has over 36 years of experience. Prior to joining our Company, he has served with the Government of India as Secretary – Department of Financial Services and the Ministry of Corporate Affairs and as Additional Secretary and Joint Secretary – Department of Commerce. He has also served as the Chief Executive Officer of IL&FS and with the Government of the state of Uttar Pradesh in various capacities including as Secretary to the Chief Minister, Managing Director – Uttar Pradesh Land Development Corporation, Vice Chairman to the Ghaziabad Development Authority and Special Secretary and Additional Director – Industries.
3	Anurag Agrawal	Director	Anurag Agrawal is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by Intellectcash. He has been a Director since October 3, 2012. He holds a bachelor's degree in business administration and a master's degree in commerce from the University of Madras, Chennai and a post graduate diploma in management from T.A. Pai Management Institute, Manipal. He has approximately 17 years of experience in banking and management. He is also the Chief Executive Officer of one of our Promoters, I-Cap. Prior to joining our Company, he has worked with ICICI Bank Limited.
4	Vineet Chandra Rai	Director	Vineet Chandra Rai is the Promoter of Arohan and Serves on its Board as Non-Executive Director. Vineet Rai founded The Aavishkaar group and chairs its Group Executive Council. Aavishkaar Group is an Impact Investment Platform impacting millions of people in Asia and Africa using entrepreneurship-based development approach. Vineet believes in building impact ecosystem to deliver real Impact as enshrined in the vision of Aavishkaar Group "We exist to bridge the Opportunity Group for the Emerging 3 Billion". Vineet believes that Impact Investing has the potential to change the world of finance irreversibly. Vineet has received numerous awards including the Impact Investor of the Year by News Corp for 2016, Porter Prize for Strategic Leadership in Social Space, 2016, CNBC TV 18 Award for being the Catalyst Fund for India 2016, G 20 – SME Innovation in Finance Award 2010 in Seoul South Korea, UNDP-IBLF-ICC World Business Award in 2005 and Lemelson Award for Social Venture Investing. He is an Ashoka Fellow and Honorary Member of XLRI Alumni Association. Vineet recently featured on the cover of Forbes India, January 2018 issue. Vineet was invited by the Prime Minister Shri Narendra Modi for consultations on doubling the income of the farmers in September 2017 as part of his

Board Of Directors			
Sr No	Name	Designation	Experience
			champions of change program. Vineet also serves as Commissioner at the Business Commission for Sustainable Development, as Senior Advisor to Blended Finance Working Group at OECD. He was also appointed by SEBI on its Working Group for Social Stock Exchange In India.
5	Sumantra Banerjee	Independent Director	Sumantra Banerjee is a Non-Executive Independent Director of our Company. He has been a Director since April 29, 2014. He holds a Bachelor's degree (technology) in chemical engineering from the Indian Institute of Technology, Kharagpur, a Master's degree in polymer science and a Master's degree in Business Administration (Marketing and Finance), both from USA. He has over 26 years of experience in board and key management personnel roles. Prior to joining our Company, he has served as the Managing Director of CESC Limited, the Chief Executive Officer of Spencer's Retail Limited and a member of the board of the R.P. Sanjiv Goenka Group.
6	Rajat Mohan Nag	Independent Director	Rajat Mohan Nag is a Non-Executive Independent Director of our Company. He has been a Director since January 31, 2015. He holds engineering degrees from the Indian Institute of Technology, Delhi and the University of Saskatchewan. He also has an MBA and an honorary doctorate from the University of Saskatchewan and an MS in economics from the London School of Economics. He has approximately 30 years of experience in banking and finance. He is concurrently a Distinguished Fellow at India's National Council of Applied Economic Research and the Emerging Markets Forum. He also serves as Chair of the Act East Council of the Indian Chamber of Commerce. He was a Visiting Professor at the Graduate School of Development Management of the Asian Institute of Management in Manila (2014-15) and currently is a Distinguished Professor at the Emerging Markets Institute at Beijing Normal University, as well as an Advisor and Board Member of several non profit organizations, including Action for Autism and Partnership for Transparency Fund. He was the Managing Director General of the Asian Development Bank during 2006-2013.
7	Piyush Goenka	Nominee Director	Piyush Goenka is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by Tano. He has been a Director since March 31, 2015. He holds a bachelor's degree in commerce from University of Calcutta and has completed the post-graduate programme in management (equivalent to a master's degree in business administration) from Management Development Institute, Gurugram. He is a CFA charter holder. He has over 18 years of experience in private equity investing and the financial services sector. At Tano, he is responsible for making investments across a wide range of sectors and has led most of Tano's investments in the consumer, pharmaceuticals and financial services sectors. Prior to joining Tano, he has worked with Infrastructure Leasing & Financial Services Limited, Export-Import Bank of India and First Global.
8	Shri Ram Meena	Nominee Director	Mr. Shri Ram Meena is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by SIDBI, and is the Deputy General Manager, SIDBI, Regional Office, Guwahati having over 23 years of experience in SME Financing. Prior to joining SIDBI, he has worked with Air India and Ministry of Finance, Government of India [Banking Division]. At SIDBI, he has worked on project appraisal, finance, stressed assets management, resolution, promotional and development activities of the Bank for MSME. Presently he is heading the Regional Office of SIDBI, Guwahati serving all the North Eastern States, Sikkim and West Bengal. He is a Bachelor in Commerce and Master in Economics from Rajasthan University, Jaipur. He is also a Certified Associate of Indian Institute of Bankers [CAIIB]
9	Matangi Gourishankar	Independent Director	Matangi Gowrishankar is a Non-Executive Independent Director of our Company. She has been a Director since August 22, 2016. She holds a

Board Of Directors			
Sr No	Name	Designation	Experience
			bachelor's degree in Sociology from the University of Madras, Chennai & honours diploma in Personnel Management & Industrial Relations from Xavier Labour Relations Institute, Jamshedpur. Post completion of her management studies in the year 1979, she has held leadership positions with various organisations like Standard Chartered Bank, Reebok India, General Electric Company, Zensar Technologies and Cummins India Limited, both in India and overseas. Most recently she has worked with the British Oil & Gas major where she was Human Resources Director for the Asia Pacific Region for the Lubricants business following which she was global head of leadership capability development in the Leadership Academy. She also holds Independent Director positions on the Boards of other companies in India. She is passionate about and has a track record for building organization and leadership development both in India and overseas
10	Kasper Svarrer	Nominee Director	Kasper Svarrer is a Non-Executive Nominee Director of our Company. He has been a Director since March 31, 2017. He was nominated to our Board of Directors by Maj Invest. He holds master's degree in forestry from Royal Veterinary and Agricultural University, Copenhagen and a master's degree in business administration from Henley Business School, University of Reading, United Kingdom. He also holds a certificate for completing a course on international business management from Georgetown University, USA. He has close to 20 years of experience in asset management and has been with the Maj Invest group since 2009. He is the Managing Partner, financial inclusion, at Maj Invest Equity A/S, a fund manager for three funds, namely, Danish Microfinance Partners K/S and Maj Invest Financial Inclusion Fund II+III, and also represents the funds on the board of directors of Baobab Holding, a portfolio company. Previously, he has worked at the World Bank and the Industrialisation Fund for Developing Countries.
11	WilhelmusMarthinus Maria Van Der Beek	Nominee Director	Wilhelmus Marthinus Maria Van Der Beek is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by AG II. He has been a Director since December 5, 2016. He holds a doctoral degree in economics and business economics from Erasmus University, Rotterdam and has completed the European Leadership Course 6 from Comenius Leergangen. He has experience in financial structuring, investment management, private equity and cross-border direct investments. He is the founder of Goodwell Investments BV, a Netherlands-based investment firm focused on financial inclusion and also manages the Aavishkaar Goodwell India Microfinance Development Company I Ltd. and AG II.
12	Paul Robin	Nominee Director	Mr. Paul Robine is a Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by TR Capital III, he is the Founder and CEO of TR Capital, Hong Kong, responsible for all investment and divestment decisions made at the firm, as well as, leads its strategic direction. He has been responsible for the investment activity of TR Capital since 2007. Prior to founding TR Capital, he was Founder and CEO of the Link Group in Asia. He currently serves as a board member in a number of TR Capital's investee companies. He is a Baccalaureate (A Level: Major Economics and Finance) and holds a Master's degree from EDHEC Business School, France.

Name & Designation	Experience
Manoj Kumar Nambiar – Managing Director	Manoj Kumar Nambiar is the Managing Director of Arohan and a Board Member. Manoj has over 28 years of experience in consumer finance & retail banking. Manoj started his working career with Modi Xerox in 1988 and then moved into consumer financial services with GE Countrywide in 1995, retail banking with ANZ Grindlays in

	<p>1997 and retail assets &amp; business development with ABN Amro Bank NV India in 2000. Manoj joined as Head Retail Banking of National Bank of Oman in 2002 looking after Oman, UAE &amp; Egypt, post which he worked as the Chief Operating Officer of the Alhamrani-Nissan Finance company, KSA in 2004 and returned to Oman as the Dy CEO of Ahli Bank SAOG in 2008. He returned to India in June 2010 as MD &amp; CEO of Intellecash Microfinance Network Company (P) Limited (an Intellectap Group company) which is in the business of incubating and capacity building of MFIs. Manoj is also a director on the boards of Intellectash Microfinance Network Company (P) Limited, Aavishkaar Venture Management Services (P) Limited &amp; Intellectap Software Technologies (P) Limited. He joined the governing board of MFIN in early 2013 and was the president of the MFIN Board in FY15-16.</p> <p>Manoj completed his mechanical engineering from VJTI in 1986, and his MBA in Marketing from JBIMS in 1988, both from Mumbai University and has tertiary qualifications in insurance from Insurance Institute of India. He has also completed the “Strategic Leadership in Microfinance” course from the Harvard Business School, Boston, US in April ‘13.</p>
Shirish Chandra Panda – Senior Vice President & Head of Business	<p>Shirish Chandra Panda has joined us as SVP - Head of Business handling the entire field operations. He has over 18 years of diversified experience.</p> <p>Shirish joins us from Satin Credit care where he was Deputy COO for North handling a portfolio of over INR 1200 crores across many states. He is a seasoned Business Operations, Strategy Management professional with exposure to risk and internal audit mainly in the Financial Inclusion sector. He has worked with companies such as IFMR, Basix, Reliance Retail, Asian Paints &amp; Credible Securities &amp; Finance. He played a pioneering role in setting up the Retail Business for Reliance and designed the roadmap for agri and rural financial products. In Basix he worked on the livelihood model in microfinance. In his last assignment with Satin Credit Care as Deputy Chief Operating Officer - North, Shirish was also instrumental in setting up of a business correspondent entity known as Taraashna. Apart from MFI and cross selling, he has also driven businesses for Personal Loans, Retailer Loans, Financing of utility vehicles, jewel loans and Micro Housing Shirish is a post graduate in Management (PGPRM) from Institute of Rural Management, Anand (IRMA) and Post Graduate Diploma in Advanced Strategy for Leaders from IIM Lucknow.</p>
Milind Nare – Chief Financial Officer	<p>Milind Nare is the Chief Financial Officer at Arohan. He is a finance professional with over two decades of experience spanning the entire gamut of finance.</p> <p>Milind heads the finance team at Arohan. He is directly responsible for Financial Management, Treasury Management, Audit &amp; Taxation, Regulatory Compliance, Legal and Secretarial verticals. His role also includes liaising with all external Stakeholders. Milind joins us from India Factoring &amp; Financial Services (P) Limited where he was CFO and has over 20 years of work experience. His previous work experience includes years at Global Trade Finance (P) Limited, The Bombay Dyeing &amp; Manufacturing Company Limited, Associated Capsules, L &amp; T Capital Limited &amp; Savant &amp; Co. He brings expertise in Strategic planning, Treasury management, Resource mobilization, FOREX management, Audit &amp; taxation, Regulatory Compliance, Information system control &amp; MIS. Milind holds a masters &amp; diploma in Financial Management and also in Computer Science.</p>
Harsh Patnaik, SVP - Central Operations and Alliances	<p>Harsh Patnaik has joined us as Senior Vice President handling the critical cross sell, partnerships and alliances function in the operations department at Arohan. Harsh has over 24 years of work experience.</p> <p>Harsh is armed with a rich experience spanning in Financial Services, FMCG and Rural/Social Consulting. He started his career with Britannia Industries Ltd in 1992. He has lead distribution of products and services verticals at Reliance's (MDAG) Finance and Dairy Business; General Insurance Business at ITC's eChoupal and the rural forays of IFFCO Tokio General Insurance. Harsh joins us from Sahaj e-Village Limited where he worked as SVP and Head – Strategy &amp; Business Development .</p>

	Harsh is a PGDRM from IRMA, has a thorough understanding of rural dynamics and has hands on approach to tackling challenges of BoP Marketing.
Ranjan Das- Chief Risk Officer	Ranjan Das has joined Arohan as Vice President and heads the Risk & Credit Department and has work experience spanning over 21 years. Ranjan has rich work experience in risk management and control, product and credit policy formulation, credit appraisal & portfolio and risk analytics. He has worked with companies such as Citicorp Finance India Ltd, Transafe Ltd and Nicco UCO Financial Services Ltd. Ranjan has completed his bachelors in Economics (Honours) and has done his Masters in Business Management in Finance from the University of Kolkata in the year 1995.
Anirudh Singh G ThakurHead - Legal, Compliance and Company Secretary	Anirudh Singh G Thakur has joined Arohan as Head, Legal and Compliance, and is also the Company Secretary. Anirudh has over 21 years of work experience. He is a seasoned professional with an in-depth understanding of company/corporate laws and commercial laws. Having started his career in 1996, Anirudh has served in various capacities across the legal & compliance departments of companies including Godrej Soaps Limited, India Factoring and Finance Solutions Pvt. Ltd. (IFFL) etc. Anirudh is a science graduate and has completed his bachelors in legislative law (LL.B). He is a member of the Institute of Company Secretaries of India (ICSI) and has also passed the Limited Insolvency Examination conducted by Insolvency and Bankruptcy Board of India (IBBI).
Abin Mukhopadhyay Vice President - Internal Audit	Abin Mukhopadhyay heads the Internal Audit function at Arohan and has a work experience spanning over 15 years. Abin is responsible for monitoring process adherence, ensuring compliance to statutory requirements and reviewing the adequacy of existing systems and controls from time to time. Abin began his career with Eveready Industries Ltd. in 2001 and his subsequent assignments were Assistant Manger (Internal Audit) – ITC Limited, Manager Finance (Dentifrice) - Colgate Palmolive Ind. Ltd, Chief Internal Auditor - Hindustan Motors Limited and GM (Finance and Accounts) - Gumasol Rubber Tech GmbH. His key achievements include the replacement of high cost debt during his stint as Manager (Accounts and Treasury) at Eveready Industries Ind. Ltd., and Process improvement and favourable tax assessment at Gumasol Rubber Tech GmbH. Abin completed his B.Com (Honours) in 1997, CA in 2001, CMA(UK) in 2011 and CISA(USA) in 2013. He is a member of ICAI, CIMA(UK), ISACA(USA), IIA(USA) and ACFE(USA).
Neeraj Kumar Lal Assistant Vice President - Head of Strategic Initiatives	Neeraj Kumar is the Head of Strategic Initiatives. He is responsible for strategic planning and initiatives for the company & business at the corporate level, new product development with potential new alliance tie ups and corporate communications including both internal and external communications. Neeraj brings with him close to 12.5 years of experience in implementation and consulting roles within the domains of inclusive financial services and institutional transformation and development. In his earlier assignments he was associated with organizations like ESAF Small Finance Bank as AVP, also with Centre for Microfinance and Livelihoods, Indian Grameen Services and Microsave. Neeraj has done his PGDRM from Institute of Rural Management, Anand (IRMA) and is a graduate in Physics from IGNOU.
Arvind Murarka Assistant Vice President - IT & Hubs	Arvind Murarka heads the IT function at Arohan and has an extensive experience of over 24 years. Arvind is responsible for developing the IT Strategy for Arohan as well as for new technology implementation, software development, data security and Management. He is also responsible for overall Hub Operations. Arvind has rich experience across multiple industries including NBFC, IT Consulting, Digital Commerce, Healthcare, Infrastructure, Plantations, Retail and F&B. He has implemented ERP on instances of SAP R/3 Implementation and Microsoft Dynamics across enterprises and geographies.

	<p>Earlier in his career he had been instrumental in pioneering the bar-coding project for Speed Post (East) and also auto-tendering system for Eastern Railways. He has worked in various organizations like GPT Infraprojects, Medica Hospitals, Intrasoft Technologies Limited, iNavigators, Softweb Technologies and Kris Systems. Prior to joining Arohan, Arvind was with Amrit Feeds as Head-IT.</p> <p>Arvind is a Bachelor in Commerce from Calcutta University. He has an Honours In Systems Management from NIIT. Arvind also holds an MBA in IT from ICFAI.</p>
Prashant Rai Assistant Vice President - HR, Admin, Training & CSR	<p>Prashant is the Head of HR, Admin, Training and Corporate Social Responsibility (CSR) at Arohan. He has a professional experience of more than 15 years.</p> <p>Prashant currently heads the Human Resource Function and is responsible for manpower planning, training, strategic HR interventions, employee engagement etc. He is additionally handing the CSR function. Prashant is a seasoned people management professional with rich experience in Human Resource, Learning and Development, Recruitment, Employee Engagement, Performance Appraisal, Compensation, Policy Formulation and dissemination, Factory HR and IR. In his last assignment he headed the Learning and Development vertical at TATA Voltas Pvt Ltd. Additionally he also headed the CSR vertical there. Previously he was associated with SREI Infrastructure Finance Ltd., Wacker Metroark Chemicals Pvt Ltd. and Videocon Industries Ltd. Prashant is a Graduate in Mathematics with a Post Graduate in science from SM University and holds a PGBDM in HR. He is a certified PPA &amp; GIA assessor from Thomas International. He also holds a certification in Growth Leadership from Korn-Ferry International and a Certification in Competency mapping and Business English Communication from Cambridge University.</p>
Shailesh Kumar- Vice President and Head of Credit Arohan and Head MSME	<p>Shailesh Kumar is the Vice President, Head of Credit Arohan and Head MSME has been associated with Arohan since April, 2018. He has 21 years of experience in SME and the Corporate Banking sector. As Head of Credit he is responsible for managing the credit policy &amp; administration to achieve the board and management agreed credit losses in the business. As Head MSME he is responsible for developing, directing and monitoring associated channels anchors, partners associated with loan acquisition activities, managing sales and acquisition costs and for setting up the system for sales management for the merchant cash advance business of Company. Prior to joining Arohan, he has worked with ICICI Bank Limited and the State Bank of India. Shailesh is a SBI PO and holds a bachelor's degree (Honours) in Economics and English from B.R. Ambedkar University.</p>

(e) **Name, address, DIN and occupations of the directors:**

S. No.	Name of the Directors	Designation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company
1	Dinesh Kumar Mittal	Chairman-Independent Director	25-Jan-53	B-71 Sector 44 Noida 201301 UP IN	000400 00	ABWPM 4165B	15-May-18	<ul style="list-style-type: none"> <li>- Trident Limited</li> <li>- Max Financial Services Limited</li> <li>- HSBC Asset Management (India) Private Limited</li> <li>- Balrampur Chini Mills Ltd</li> <li>- Max Ventures And Industries Ltd</li> <li>- Business Strategy Advisory Services Private Limited</li> <li>- Ergos Business</li> </ul>



								<ul style="list-style-type: none"> <li>Solutions Pvt Ltd</li> <li>- Andromeda Sales and Distribution Private Limited</li> <li>- Max Bupa Health Insurance Company Limited</li> <li>- Bharti Airtel Limited</li> <li>- Max Life Insurance Company Ltd</li> <li>- Max Healthcare Institute Limited</li> <li>- Atyati Technologies Pvt Ltd</li> <li>- North East Power Transmission Company Private Limited</li> </ul>
2	Sumantra Banerjee	Independent Director	31-Dec-49	2C, Alipore Avenue, Kolkata-700027, West Bengal, India	00075243	AACPB4480B	29-Apr-14	<ul style="list-style-type: none"> <li>- Myriad Ventures Private Limited</li> <li>- Noida Power Company Limited</li> <li>- Anudip Foundation For Social Welfare</li> </ul>
3	Matangi Gowrishankar	Independent Director	27-Feb-58	Flat 71/76, New Navrang CHSL Peddar Road, Near Telephone Exchange-400026, MH IN	01518137	AAGPG8973J	22-Aug-16	<ul style="list-style-type: none"> <li>- Cyient Limited</li> <li>- Jain Sons Finlease Limited</li> <li>- Gabriel India Limited</li> <li>- Premium Transmission Private Limited</li> <li>- Intellectap Advisory Services Private Limited</li> <li>- Altum Credo Home Finance Private Limited</li> </ul>
4	Rajat Mohan Nag	Independent Director	12-Sep-48	B-3/602, World Spa West, Sector 30, Gurgaon-122001, India	07083831	AJOPN2511Q	31-Jan-15	<ul style="list-style-type: none"> <li>- Partners for Transparency Foundation India</li> </ul>
5	Vineet Chandra Rai	Director	17-Jun-71	101-D Wing, Bldg.No.6, Emp 48 Halley, Evershine, Thakur Village, Kandivali (E), Mumbai, 400101, Maharashtra, India	00606290	ABUPR9400L	24-Oct-13	<ul style="list-style-type: none"> <li>- Ulink Agritech Private Limited</li> <li>- Jain Sons Finlease Limited</li> <li>- Electronic Payment And Services Private Limited</li> <li>- Intellectual Capital Advisory Services Private Limited</li> <li>- Aavishkaar Venture Management Services Private Limited</li> <li>- Aavishkaar Venture Trustees Private Limited</li> <li>- Tribetech Private Limited</li> </ul>

								- Aavishkaar Capital Advisors LLP
6	Anurag Agrawal	Director	12-Feb-78	Sn 14 / 94 Agrawal Kunj, Sarnath, Varanasi, 221007, Uttar Pradesh, India	02385780	AFTPA7676J	3-Oct-12	<ul style="list-style-type: none"> <li>- Jain Sons Finlease Limited</li> <li>- Aavishkaar Venture Management Services Private Limited</li> <li>- Intellectual Capital Advisory Services Private Limited</li> <li>- Butterfly Edufields Private Limited</li> <li>- Nepra Resource Management Private Limited</li> <li>- Aavishkaar Capital Advisors LLP</li> </ul>
7	Piyush Goenka	Nominee Director	22-Jul-77	4B, Neelamber , 37, Pedder Road, Mumbai, Cumballa Hill, Maharashtra-400026.	02117859	ACZPG3344E	31-Mar-15	<ul style="list-style-type: none"> <li>- Shilpa Medicare Limited</li> <li>- Safari Industries (India) Limited</li> <li>- TIA Advisors LLP</li> </ul>
8	WilhelmusMarthinus Maria Van Der Beek	Nominee Director	24-Nov-60	512 Palm Spring Link Road, Malad (West) Mumbai-400064 MH IN	02142559	NMD71P984	5-Dec-16	- NIL
9	Shree Ram Meena	Nominee Director	6-Jul-72	C-3/72, Chitrakoot Scheme, Jaipur-302021, Rajasthan	08452187	AEZPM5142A	15-May-19	<ul style="list-style-type: none"> <li>- RGVN (North East) Microfinance Limited</li> <li>- Bandhan Financial Services Limited</li> </ul>
10	Kasper Svarrer	Nominee Director	17-Mar-72	Sankt Thomas Alle 10-4.Th Floor, 1824, Frederiksberg , Denmark	07252475	209245885	31-Mar-17	- MJIC Consultancy Private Limited
11	Manoj Kumar Narayan Nambiar	Managing Director (Executive Director)	18-Apr-65	8, Godavari, Sector-3, Vashi, Navi Mumbai, 400703, Maharashtra, India	03172919	AAAPN7851Q	03-Oct-12	<ul style="list-style-type: none"> <li>- Aavishkaar Venture Management Services Private Limited</li> <li>- Tribetech Pvt Ltd</li> </ul>
12	Paul Gratien	Nominee Director	21-Jul-	Flat C,35/F,	7828525	17FU26715	18-03-19	- Sedemac Mechatronics Pvt Ltd

	Robine		77	Bloack 2, Estoril Court, 55 Garden Road, Hong Kong NA HK				<ul style="list-style-type: none"> <li>- Consure Medical Private Ltd</li> <li>- Surewaves Mediatech Pvt Ltd</li> <li>- Shantani Proteome Analytics Pvt Ltd</li> <li>- TR India Advisors LLP</li> </ul>
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(f) **Management perception of Risk Factors:**

As provided for in Section 3 (*Risk Factors*) of this Shelf Disclosure Document.

(g) **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

- (i) Statutory Dues: NIL
- (ii) Debenture and interest thereon: NIL
- (iii) Deposits and interest thereon: NA
- (iv) Loans from banks and financial institutions and interest thereon: NIL

(h) **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Mr ANIRUDH SINGH THAKUR  
 Designation: Company Secretary & Compliance Officer  
 Address: PTI Building, 4th Floor, DP Block, DP-9, Sector-V,  
 Salt Lake, Kolkata - 700091  
 Phone No.: +91 33 4015 6328  
 Email: anirudh.thakur@arohan.in

**1.2 Particulars of the Offer:**

Date of passing of Board Resolution	May 21, 2020						
Date of passing of resolution in general meeting, authorizing the offer of securities	August 5, 2019						
Kind of securities offered and class of security	Non-Convertible Debentures, Secured Debt.						
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture						
Name and address of the valuer who performed valuation of the security offered	NA						
Amount, which the Company intends to raise by way of securities	Up to Rs.25,00,00,000/- (Rupees Twenty Five Crore Only)						
Terms of raising of securities:	<table> <tr> <td>Duration, if applicable:</td><td>36 months from the Deemed Date of Allotment</td></tr> <tr> <td>Rate of Interest:</td><td>11.00%</td></tr> <tr> <td>Mode of Payment</td><td>cheque(s)/ demand</td></tr> </table>	Duration, if applicable:	36 months from the Deemed Date of Allotment	Rate of Interest:	11.00%	Mode of Payment	cheque(s)/ demand
Duration, if applicable:	36 months from the Deemed Date of Allotment						
Rate of Interest:	11.00%						
Mode of Payment	cheque(s)/ demand						

		draft/ electronic clearing services (ECS)/ credit through RTGS system/funds transfer	
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer	
Proposed time schedule for which the Issue/Offer Letter is valid	June 19, 2020		
Purpose and objects of the Issue/Offer	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"><li>• General corporate purposes</li><li>• for the ordinary course of business of the Issuer including repayment/re-financing of existing debt</li></ul> <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.</p>		
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects	N.A.		
Principal terms of assets charged as security, if applicable	N.A.		

### 1.3 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other	NIL
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persons			
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL		
Remuneration of directors (during the current	Name of the Director		Remuneration (in Rs)
	2019		
	Manoj Kumar Nambiar		13,984,899

year and last 3 (three) financial years)	2018				
	Manoj Kumar Nambiar		11,250,006		
	2017				
	Manoj Kumar Nambiar		7,816,382		
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this Offer Letter including with regard to loans made or, guarantees given or securities provided	Transaction	Related Party	31-Mar-19	31-Mar-18	31-Mar-17
	Portfolio Buyout	Jain Sons Finlease Limited	-	1,204,956	
	Loan repayment received	Arohan ESOP Trust	-	-	9,600,000
	Loan Taken	Jain Sons Finlease Limited	-	59,781,873	
		Aavishkaar Venture Management Services Private Limited	1,500,000,000	-	
	Loan repaid	Jain Sons Finlease Limited	26,808,076	32,523,807	
		Aavishkaar Venture Management Services Private Limited	1,500,000,000	-	
		Manoj Kumar Nambiar			2,400,000
		Geeta Nambiar			3,400,000
	Security deposit received	Tribetech Private Limited	1,432,503	1,487,500	
	Security deposit invoked	Tribetech Private Limited	2,953,379	-	
	Purchase of property, plant and equipment	Jain Sons Finlease Limited	-	4,749,394	
	Interest Paid	Jain Sons Finlease Limited	1,611,928	8,116,893	
		Aavishkaar Venture Management Services Private Limited	17,519,179	-	
		Manoj Kumar Nambiar			190,911
		Geeta Nambiar			252,094
	Corporate social responsibility expenses	Anudip Foundation	-	900,000	
	Professional fee	Aavishkaar Venture Management Services Private Limited	3,162,738	567,071	
		Tribetech Private Limited	5,550,495	1,586,18	

					8	
			Intellectap Capital Advisory services private limited	692,886	3,579,767	13,468,750
		<b>Loan Processing Charge</b>	Jain Sons Finlease Limited	-	96,750	
		<b>Reimbursement of expense paid</b>	Tano India Private Equity Fund II			49,995
			Intellectap Capital Advisory Services Private Limited	263,013	272,488	49,992
			Aavishkaar Venture Management Services	370,795	34,542	22,820
			Tribetech Private Limited	302,960	165,447	
		<b>Reimbursement of expense received</b>	Intellectap Advisory Services Private Limited	57,600	-	
			Aavishkaar Venture Management Services Private Limited	251,339	-	
			Tribetech Private Limited	425,000	-	
		<b>Rent &amp; service Charges</b>	Intellectap Capital Advisory Services Private Limited	-	-	134,232
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of circulation of this Offer Letter and of their impact on the financial statements and financial position of	NIL					



the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservation s or qualificatio ns or adverse remark	
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any prosecution	NIL

<p>s filed (whether pending or not) fines imposed, compoundi ng of offences in the last 3 (three) years immediatel y preceding the year of this Offer Letter and if so, section- wise details thereof for the Company and all of its subsidiarie s</p>	
<p>Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company</p>	<p>Nil</p>

#### 1.4 Financial Position of the Company:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) (as of June 2019)	<b>Share Capital</b>		<b>Rs.</b>							
	<b>Authorised</b>									
	11,24,53,320 Equity shares of Rs 10/- each		1,12,45,33,200							
	<b>TOTAL</b>		<b>1,12,45,33,200</b>							
	<b>Issued, Subscribed and Fully Paid- up</b>									
	1103,20,974 Equity shares of Rs. 10/- each		1,103,20,974							
	Less : Amount recoverable from ESOP Trust		0							
	<b>Preference Shares</b>									
Nil										
<b>TOTAL</b>		<b>1,10,32,09,740</b>								
Size of the Present Offer	INR 25,00,00,000									
Paid-up Capital: a. After the offer:  b. After the conversion of Convertible Instruments (if applicable)	N.A. N.A.									
Share Premium Account: a. Before the offer:  b. After the offer:	N.A. N.A.									
Details of the equity share capital history of the Issuer: INR crore										
	<b>Date of allotment</b>	<b>No. of equity shares</b>	<b>Face Value</b>	<b>Issue Price (in Rs)</b>	<b>Consideration (Rs in Crore)</b>	<b>Nature of Allotment</b>	<b>Cumulative Paid Up Capital</b>			<b>Remarks</b>
							<b>No of Equity Shares</b>	<b>Equity Share Capital (Rs in Crore)</b>	<b>Equity Share Premium (Rs in Crore)</b>	
	September 30, 2015	1,68,207	10	21.20	0.36	Pref. Allotment	5,17,70,470	51.77	65	-
	December 19, 2016	90,77,830	10	-	Loan to Equity	Pref. Allotment	6,08,48,300	60.85	NA	Conversion
	January 19, 2017	23,44,736	10	56.61	13.27	Pref. Allotment	6,31,93,036	63.19	75.47	-
	January 27, 2017	79,16,927	10	56.61	44.82	Pref. Allotment	7,11,09,963	71.11	112.37	-
	March 31, 2017	1,14,52,405	10	84.70	97.00	Pref. Allotment	8,25,62,368	82.56	197.92	-
	March 28, 2018	-18,067,494	10	-	-	Pref. Allotment	6,44,94,874	64.49	NA	Extinguishment of Equity Shares pursuant to Merger
	March 28, 2018	2,39,70,479	10	-	-	Pref. Allotment	8,84,65,353	88.47	NA	Allotment of Equity Shares pursuant to Merger

July 3, 2018	6,00,000	10	130	7.80	Pref. Allotment	8,90,65,353	89.07	205.12	-
December 28, 2018	1,02,17,288	10	146.81	150.00	Pref. Allotment	9,92,82,641	99.28	344.90	-
March 26, 2019	26,41,275	10	162.80	43.00	Pref. Allotment	10,19,23,916	101.92	385.26	-
March 28, 2019	7,50,000	10	162.80	12.21	Pref. Allotment	10,26,73,916	102.67	396.72	-
September 27, 2019	76,47,058	10	170	130.00	Pref. Allotment	11,03,20,974	110.32	519.07	-

Shareholding pattern of the Issuer as on May 30, 2020

Sr. No	Name of Shareholders/Particulars	Face Value	Total No. of Equity Shares	Total Shareholding as % of total no. of equity shares.	Number of shares held in Demat Form
<b>Promoter</b>					
1	Aavishkaar Venture Management Services Private Limited	10	2,38,11,394	21.58%	2,38,11,394
2	Intellectual Capital Advisory Services Pvt Ltd	10	1,64,72,146	14.93%	1,64,72,146
	<b>Total</b>		<b>4,02,83,540</b>	<b>36.51%</b>	
<b>Non-Promoter</b>					
1	Aavishkaar Goodwill India Microfinance Development Co II Ltd	10	1,85,39,529	16.81%	1,85,39,529
2	Tano India Private Equity Fund II	10	1,69,14,279	15.33%	1,69,14,279
3	Maj Invest Financial Inclusion Fund II K/S	10	1,54,01,267	13.96%	1,54,01,267
4	TR Capital III Mauritius	10	97,18,722	8.81%	97,18,722
5	Michael & Susan Dell Foundation	10	32,70,980	2.96%	32,70,980
6	Arohan ESOP Trust	10	15,64,524	1.42%	15,64,524
7	Others	10	46,28,133	4.20%	42,98,092
	<b>Total</b>		<b>700,37,434</b>	<b>63.49%</b>	
	<b>Grand Total</b>		<b>11,03,20,974</b>	<b>100.00%</b>	

Details of allotments made by the company in the last one year prior to the date of this offer letter for consideration other than cash and details of the consideration in each case.	Nil		
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter	FY	PBT (in INR Cr)	PAT (in INR Cr)
	FY 2019	153.21	112.08
	FY 2018	45.42	29.67
	FY 2017	41.03	27.46
Dividends declared by the Company in respect of the	Nil		

said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter	Refer Annexure 5
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter	Refer Annexure 5
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	<b>Nil</b>

### 1.5 DECLARATION (To be provided by the Directors)

- a. The Company has complied with the provisions of the Companies Act and the rules made thereunder;
- b. The compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the Issue shall be used only for the purposes and objects indicated in this Offer Letter;

I am authorized by the Board of Directors of the Company *vide* resolution dated May 21, 2020, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **Arohan Financial Services Limited,**

ANIRUDH  
SINGH  
THAKUR

Digitally signed by  
ANIRUDH SINGH  
THAKUR  
Date: 2020.06.19  
16:45:32 +05'30'

#### Authorised Signatory

Name: Anirudh Singh G Thakur

Title: Head- Legal, Compliance & Company Secretary

Date: June 17, 2020

#### Enclosed

Copy of Board Resolution

Copy of Shareholders Resolution

Optional Attachments, if any

**CERTIFIED TRUE COPY OF THE MINUTES OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF AROHAN FINANCIAL SERVICES LIMITED HELD ON MONDAY, AUGUST 5<sup>TH</sup>, 2019, AT 11:00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT PTI BUILDING, 4<sup>TH</sup> FLOOR, DP BLOCK, DP 9 SALT LAKE SECTOR V, KOLKATA- 700091**

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**Issue of Non-Convertible Debentures**

**“RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under, as may be amended from time to time, and subject to other applicable regulations/guidelines, consent of the members of the company ,be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board which term shall include any committee thereof) for making offer(s) or Invitation (s) to subscribe to Non-Convertible Debentures, including bonds, on private placement basis, in one or more tranches from time to time, during a period of one year from date of passing of this resolution within the overall borrowing limits of the company not exceeding INR 5,000 crores (Five Thousand Crores Only), as approved by the members, from time to time.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed for time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

**For Arohan Financial Services Limited**

ANIRUDH  
SINGH  
THAKUR

Digitally signed by  
ANIRUDH SINGH THAKUR  
Date: 2020.06.19  
13:13:02 +05'30'

**Anirudh Singh G Thakur**

**Company Secretary**

**Membership No. A13210**



**CERTIFIED TRUE COPY OF THE MINUTES OF THE 179<sup>TH</sup> BOARD MEETING OF AROHAN FINANCIAL SERVICES LIMITED, HELD ON THURSDAY, 21<sup>ST</sup> MAY 2020, AT 5:00 PM, AT MUMBAI THROUGH VIDEO CONFERENCING**

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**TO ISSUE NON CONVERTIBLE DEBENTURES**

**“RESOLVED THAT** pursuant to the provisions of Section 42, 71, 179, 180 of the Companies Act, 2013 read with rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) other applicable provisions of the Companies Act 2013, as amended (“Companies Act”) and in accordance with the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008, as amended (“SEBI Regulations”) and with enabling provisions of Memorandum of Association and Articles of Association of the Company, the Board of Directors (hereinafter referred to as the “Board”) of the Company be and hereby accorded to offer/ issue of redeemable non-convertible debt securities in the form of secured /unsecured (hereinafter referred to as the “NCDs”) during the FY 20-21 through “private placement issue” in one of or more series /tranches, upto maximum limit of INR 175 Crore (Rupees One Hundred and Seventy Five Crore Only) upon such terms and conditions as may be agreed with the proposed investors including one or more Public Sector Banks, Private Sector Banks, Payment Banks and Small Finance Banks, Foreign Sector Banks as specified in the class of identified investors list as placed before the Board, subject to due compliance with the RBI Directions to the extent applicable and also any other law, rules, directions issued by any other regulatory authorities, in this regard.”

**“RESOLVED FURTHER THAT** the said NCDs may be listed on the Wholesale Debt Market (WDM) segment of the Stock Exchange (The BSE Ltd or NSE Limited) and necessary application be made to stock exchange(s) for the same

and the Board hereby severally authorizes Mr. Manoj Kumar Nambiar (Managing Director), Mr. Milind Nare (Chief Financial Officer), Mr. Anirudh Singh G. Thakur (Company Secretary), Mr. Vikash Kedia (General Manager-Treasury), Mr. Lokesh D. Ray (Deputy General Manager- Treasury), Mr. Debarshi Chaudhuri (Senior General Manager-Accounts) and Mr. Dinesh Mourya (Manager- Legal & Compliance) of the Company to execute all the necessary agreements, documents or to sign any papers as required for the listing.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to engage depositories, registrars, merchant bankers, Trustees and other consultants and advisors to the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be agreed between them and the company and as permitted by law.”

**“RESOLVED FURTHER THAT** the Share Transfer and Securities Allotment Committee of the Company be and are hereby authorized to approve the allotment of debentures and do all such acts, deeds and things, filing of documents at Stock Exchanges and all other formalities in this matter.”

**“RESOLVED FURTHER THAT** the draft Information Memorandum (IM) as placed before the Board of Directors be and is hereby approved.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the offer, issue, allotment of the Non-Convertible Debentures, Mr. Manoj Kumar Nambiar (Managing Director), Mr. Milind Nare (Chief Financial Officer), Mr. Anirudh Singh G. Thakur (Company Secretary), Mr. Vikash Kedia (General Manager-Treasury), Mr. Lokesh D. Ray (Deputy General Manager- Treasury), Mr. Debarshi Chaudhuri (Senior General Manager-Accounts) and Mr. Dinesh Mourya (Manager- Legal & Compliance) of the Company be and are hereby

severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary and desirable for such purpose, including without limitation, preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance of the Non-Convertible Debentures, as may be required, to do any modifications in the draft IM before circulation, issuing clarifications on the issue and allotment of the Non-Convertible Debentures, resolving any difficulties, effecting any modifications, changes, variation, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the Non-Convertible Debentures and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise.”

**For Arohan Financial Services Limited**

**ANIRUDH  
SINGH  
THAKUR**

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ANIRUDH SINGH  
THAKUR  
Date: 2020.06.18  
12:34:10 +05'30'

**Anirudh Singh G Thakur**

**Company Secretary**

**Membership No. A13210**

**CERTIFIED TRUE COPY OF THE MINUTES OF THE 9<sup>TH</sup> SHARE TRANSFER AND SECURITIES ALLOTMENT COMMITTEE OF AROHAN FINANCIAL SERVICES LIMITED HELD ON FRIDAY, JUNE 19<sup>TH</sup>, 2020, AT 1:00 PM AT MUMBAI VIA VIDEO CONFERENCING**

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**ALLOTMENT OF NON CONVERTIBLE DEBENTURES**

**“RESOLVED THAT** 250 Secured, Subordinated, Rated, Listed, Transferable, Redeemable, Taxable, Non-Convertible Debentures of face value of INR 10,00,000/- (INR Ten Lakhs only) each, aggregating up to INR 25,00,00,000/- (INR Twenty Five Crores only) to the entity specified below (the “Allottee”) in the terms and conditions set out in the Information Memorandum dated June 17, 2020 and the Debenture Trust Deed dated June 17, 2020 and issued / executed in respect of the Debentures, be and are hereby allotted.

Particulars of Debentures	Secured, Subordinated, Rated, Listed, Transferable, Redeemable, Taxable, Non-Convertible Debentures
Debenture holder	Bank of India, Treasury
Face Value	INR 10,00,000/-
Maturity	June 16, 2023
Coupon Rate	11.00% per annum payable annually
No. of Debentures	250

**“RESOLVED FURTHER THAT** the Company be and is hereby authorized to record the names of the Allottee in the Register of Debenture Holders of the Company as the holder of the Debentures, and the Company Secretary of the Company, be and is hereby authorized to enter the name of the Allottee in the Register of Debenture Holders of the Company.

**“RESOLVED FURTHER THAT** any Director, Mr. Manoj Kumar Nambiar (Managing Director), Mr. Milind Nare (Chief Financial Officer), and Mr. Anirudh Singh G Thakur (Company Secretary) of the company, be and are hereby severally authorized to do all other acts, deeds and things in connection with the allotment of the Debentures

including without limitation the issue and delivery of letters of allotment, issuing debenture certificate(s), paying stamp duty on the debenture certificate(s), filing return of allotment with the Registrar of Companies and liaising with the National Securities Depository Limited/Central Depository Services (India) Limited and to do all other acts, deeds and things which may be necessary or expedient to implement the resolution.”

**For Arohan Financial Services Limited**

ANIRUDH  
SINGH  
THAKUR

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ANIRUDH SINGH  
THAKUR  
Date: 2020.06.19  
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**Anirudh Singh G Thakur**

**Company Secretary**

**Membership No. A13210**

# Walker Chandio & Co LLP

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**Walker Chandio & Co LLP**

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Indiabulls Finance Centre,  
SB Marg, Elphinstone (W)  
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India

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## **Independent Auditor's Review Report on Special Purpose Unaudited Interim Financial Information of the Company**

**To the Board of Directors of Arohan Financial Services Limited (Formerly Arohan Financial Services Private Limited)**

### **Introduction**

1. We have reviewed the accompanying statement of special purpose unaudited interim financial information ("the Statement") of Arohan Financial Services Limited ("the Company") for the nine-month period ended 31 December 2019. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared and presented in accordance with the basis of accounting as described in Note 2 to the Statement. Our responsibility is to express a conclusion on the Statement based on our review.

### **Scope of review**

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the Statement.



Page 1 of 2

**Arohan Financial Services Limited (Formerly Arohan Financial Services Private Limited)**  
**Independent Auditor's Review Report on Special Purpose Unaudited Interim Financial Information of the Company**

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**Other Matter**

4. The financial information for the corresponding nine-month period ended 31 December 2018 and previous period ended 31 March 2019, as included in the Statement which has been prepared in accordance with the basis of accounting described in Note 3 to the Statement is certified by the management and have not been subjected to either review or audit.

Our conclusion is not modified in respect of this matter.

**Basis of accounting and Restriction in distribution or use**

5. We draw attention to Note 2 to the Statement which describes the basis of accounting used for the preparation and presentation of the Statement and which has been specifically prepared for the management's internal purpose and therefore is not suitable for any other purpose. This review report is issued solely for the aforementioned purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we neither accept nor assume any liability or duty of care for any other purpose for which or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Manish Gujral**  
Partner  
Membership No.: 105117

**UDIN No:20105117AAAAAM1901**

Place: Mumbai  
Date: 12 February 2020



**Arohan Financial Services Limited**

(Formerly Arohan Financial Services Private Limited)

**Statement of unaudited financial results for nine-month period ended 31 December 2019**

Particulars	(₹ in lakhs)		
	Nine-month period ended		Year ended
	31 December 2019 (Unaudited)	31 December 2018 (Refer Note 3)	31 March 2019 (Refer Note 3)
<b>1 Revenue</b>			
(a) Interest income	63,930.15	41,683.42	60,679.06
(b) Fees and commission income	1,636.29	1,436.23	2,132.82
(c) Net gain on derecognition of financial instruments	3,324.81	1,560.42	2,074.31
(d) Others	294.09	289.35	364.85
<b>Total revenue from operations</b>	<b>69,185.34</b>	<b>44,969.42</b>	<b>65,251.04</b>
(e) Other Income	971.14	167.78	273.12
<b>Total revenue</b>	<b>70,156.48</b>	<b>45,137.20</b>	<b>65,524.16</b>
<b>2 Expenses</b>			
(a) Finance costs	28,049.40	18,028.81	25,478.45
(b) Impairment on financial instruments	8,612.35	2,813.94	4,049.18
(c) Employee benefits expenses	11,507.26	8,501.22	11,725.82
(d) Depreciation and amortization expenses	494.47	382.99	527.25
(e) Other expenses	4,921.48	4,581.19	6,029.79
<b>Total expenses</b>	<b>53,584.96</b>	<b>34,308.15</b>	<b>47,810.49</b>
<b>3 Profit before tax (1-2)</b>	<b>16,571.52</b>	<b>10,829.05</b>	<b>17,713.67</b>
<b>4 Tax expense</b>	<b>4,099.41</b>	<b>3,209.22</b>	<b>4,949.64</b>
<b>5 Net Profit after tax (3-4)</b>	<b>12,472.11</b>	<b>7,619.83</b>	<b>12,764.03</b>
<b>6 Other Comprehensive Income</b>			
(a) <b>Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement of post employment benefit obligations	(220.99)	(16.44)	(116.08)
(ii) Equity Instruments through other comprehensive income	(3.32)	-	-
(iii) Income tax relating to items that will not be reclassified to profit or loss	56.46	5.75	40.56
(b) <b>Items that will be reclassified to profit or loss</b>			
(i) Fair valuation of financial assets	767.59	-	(299.42)
(ii) Income tax relating to items that will be reclassified to profit or loss	(222.47)	-	104.63
<b>Total Other Comprehensive Income (A+B)</b>	<b>377.27</b>	<b>(10.69)</b>	<b>(270.31)</b>
<b>Total Comprehensive Income for the period (5+6)</b>	<b>12,849.38</b>	<b>7,609.14</b>	<b>12,493.72</b>
<b>7 Paid-up equity share capital (Face value of ₹ 10 each)</b>	<b>11,032.10</b>	<b>9,928.26</b>	<b>10,267.39</b>
<b>8 Earning per share (not annualised)</b>			
(a) Basic (In ₹)	12.02	8.63	14.05
(b) Diluted (In ₹)	11.99	8.62	14.02



**Arohan Financial Services Limited**

(Formerly Arohan Financial Services Private Limited)

**Notes:-**

- The unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Arohan Financial Services Limited ('the Company') at their respective meetings held on 11 February 2020 and 12 February 2020 respectively.
- The financial results of the Company have been prepared under special purpose framework for internal purposes, in accordance with Indian Accounting Standards ("IndAS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies Indian Accounting Standards (Amendment) Rules, 2016. The Company has adopted IndAS from 01 April 2019 and the effective date of such transition is 01 April 2018. The financial results are accordingly not fully compliant with IndAS 34 "Interim Financial Reporting". These financials results for the current and previous periods may require adjustments due to any change in financial reporting requirements arising from new standards, modification to the existing standards, guidelines issued by the Ministry of Corporate affairs and Reserve Bank of India or changes in the use of one or more optimal exemptions from the full retrospective application of certain IndAS permitted under Ind AS 101 'First time adoption of Indian Accounting Standards'.
- The above financial results have been subjected to limited review by the statutory auditors of the Company. IndAS compliant financial results pertaining to the corresponding nine-month period ended 31 December 2018 and year ended 31 March 2019 have not been subjected to limited review or audit for which the management has exercised necessary due diligence to ensure that such Financial results provide a true and fair view of its affairs for comparison purpose.
- During the current period, the Company has issued 76,47,058 equity shares of ₹10 each on private placement basis at a price of ₹170 (including premium of ₹160) aggregating to ₹1,29,99,99,860.
- The Company has prepared a reconciliation of the net profit as required by para 32 of IndAS 101 of the corresponding period under the previous GAAP with the respective figures as reported in the financial results under IndAS. The net profit reconciliation for the nine-month period ended 31 December 2018 and for the year ended 31 March 2019 is presented below:

Nature of adjustment	Profit reconciliation	
	Year to date	Year ended
	31 December 2018	31 March 2019
	(Unaudited)	(Unaudited)
1 Net profit as per previous GAAP	7,101.11	11,207.52
2 Adjustment resulting in increase/ (decrease) in profit after tax as reported under previous GAAP		
(a) Impact on recognition of financial asset and financial liabilities at amortised cost by application of effective interest rate method	301.80	327.22
(b) Net gain on derecognition of loans sold under assignment transaction	566.90	2,074.31
(c) Fair valuation of financial assets and liabilities	(72.99)	(103.73)
(d) Others	1.71	94.97
(e) Deferred tax impact on IndAS adjustments	(278.70)	(836.26)
3 Net profit as per IndAS (1+2)	7,619.83	12,764.03
4 Other comprehensive income, net of taxes	(10.69)	(270.31)
5 Total comprehensive income (3+4)	7,609.14	12,493.72

- As required by para 32 of IndAS 101, the equity reconciliation between the figures reported under previous GAAP and IndAS for the year ended 31 March 2019 is presented below:

Particulars	Equity reconciliation	
	Year ended	
	31 March 2019	
	(Unaudited)	
1 Equity as per previous GAAP	68,121.92	
2 Adjustment resulting in increase/ (decrease) in equity reported in previous GAAP		
(a) Impact on recognition of financial asset and financial liabilities at amortised cost by application of effective interest rate method	628.90	
(b) Net gain on derecognition of loans sold under assignment transaction	2,074.31	
(c) Fair valuation of financial assets and liabilities	(431.20)	
(d) Others	108.47	
(e) Deferred tax impact on IndAS adjustments	(786.80)	
Equity as per IndAS (1+2)	69,715.60	



**Arohan Financial Services Limited**

(Formerly Arohan Financial Services Private Limited)

- 7 The Company has elected to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for income tax for the period ended 31 December 2019 with the revised effective tax rate calculated basis the new tax rate of 25.17% applicable to the Company including re-measurement of deferred tax asset.
- 8 The Company is primarily engaged in the business of micro-finance and as such no separate information is required to be furnished in terms of IndAS 108 "Operating Segment" specified under section 133 of the Act.

By order of the Board  
For Arohan Financial Services Limited

Place: Kolkata  
Date: 12 February 2020

  
**Manoj Kumar Nambiar**  
Managing Director  
DIN: 03172919

**Registered Office:** PTI Building, DP Block, DP-9, 4th Floor, Sector - V, Salt Lake, Kolkata - 700091.  
**CIN:** U74140WB1991PLC053189; **Website:** [www.arohan.in](http://www.arohan.in)

