

Summary Term Sheet

Security Name	11.4000%AFSL2024
Issuer	Arohan Financial Services Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures Series H
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As provided in Clause 8.14 of Information Memorandum.
Listing (including name of stock exchange(s) where it will be listed and timeline for listing)	<p>The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (Four) Business Days of the Deemed Date of Allotment.</p> <p>In the event of the Issuer’s failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Foreign Portfolio Investors or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Foreign Portfolio Investors or Qualified Foreign Investors.</p> <p>In accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in case of a delay by the Company in listing the Debentures beyond 4 (Four) Business Days from the Deemed Date of Allotment, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 4 (Four) Business Days from the Deemed Date of Allotment till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.</p>
Rating of the Instrument	“ICRA A-” (pronounced as “ICRA Single A Minus”) with ‘Stable’ outlook
Issue Size	Rs. 65,00,00,000/- (Rupees Sixty Five Crores only)
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 65,00,00,000/- (Rupees Sixty Crores only)
Details of the utilization of the Proceeds	The issue proceeds will be to meet funding requirements of the Issuer for growing its microfinance portfolio and to further advance the Issuer’s commitment to providing loans to women and women owned businesses.

Coupon Rate	11.4000% (Eleven Decimal Point Four Zero Zero Zero Percent) per annum payable semi-annually until the Maturity Date (net of withholding taxes) and subject to the obligation of the Issuer as provided for in Section 8.25 of this Information Memorandum. The Coupon Rate, as on the date of the Debenture Trust Deed, gross of withholding taxes, shall amount to 12.0584% (Twelve Decimal Point Zero Five Eight Four Percent).
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-Annually
Coupon Payment Dates	Semi-annually on December 14 and June 14 of every calendar year until Maturity Date (subject to adjustments for Business Day Convention).
Coupon Type	Fixed Coupon
Exercise Date/Coupon Reset Date	N.A.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis	Actual / Actual
Interest on Application Money	11.4000% (Eleven Decimal Point Four Zero Zero Zero Percent) per annum, net of withholding taxes.
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Prepayment Penalty	No earlier than 12 (Twelve) months from the Deemed Date of Allotment. The Issuer shall pay the Increased Costs and a prepayment penalty of 2% (Two Percent) on the principal amount repaid. The Prepayment shall be subject to the consent of the Majority Debenture Holders which consent shall not be unreasonably withheld provided that the Issuer has given the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) calendar days written notice prior to the date of such prepayment.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and/ or the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per

	annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	42 (Forty Two) months from the Deemed Date of Allotment.
Principal Payment Date(s)	(a) June 14, 2023 being 30 (Thirty) months from the Deemed Date of Allotment; (b) December 14, 2023 being 36 (Thirty Six) months from the Deemed Date of Allotment; and (c) June 14, 2024 being 42 (Forty Two) months from the Deemed Date of Allotment (subject to adjustments for Business Day Convention).
Redemption Date / Maturity Date	June 14, 2024 being 42 (Forty Two) months from the Deemed Date of Allotment (subject to adjustments for Business Day Convention) or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture on the Principal Payment Date(s) plus accrued Coupon in the manner set out in Annexure VI (Illustration of Bond Cash Flows) hereto. Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	Not Applicable
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Option Time	N.A.
Call Option Time	N.A.
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Minimum Application size and in multiples of Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Issue Opening Date: December 11, 2020 Issue Closing Date: December 11, 2020

	<p>Pay-in Date: December 14, 2020 Deemed Date of Allotment: December 14, 2020</p>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
EBP Process	<ul style="list-style-type: none"> <p>• Bidding Process</p> <p>This Information Memorandum has been drafted in compliance with the SEBI ILDS Regulations, the Memorandum and Articles of Association and all other Applicable Laws. This section applies to all Eligible Participants. Please note that all Eligible Participants are required to make payment of the full application amount in accordance with the Operational Guidelines.</p> <p>• Who can bid?</p> <p>All Eligible Participants comprising of investors specifically mapped by the Issuer on the BSE EBP platform, are eligible to bid for this Issue.</p> <p>All Eligible Participants are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue in accordance with the norms approved by the Government of India, RBI or any other statutory body from time to time, including but not limited to the Operational Guidelines in relation to the relevant EBP for investing in this Issue.</p> <p>The final subscription to the Debentures shall be made by the Eligible Investors through EBM as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP during the Issue period.</p> <p>• Right to Accept or Reject Bids</p> <p>The Issuer reserves its full, unqualified and absolute right to accept or reject any application for bid, in part or in full, without assigning any reason thereof in accordance with the Operational Guidelines.</p> <p>• Manner of Bidding</p> <p>The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.</p> <p>• Manner of settlement</p> <p>Settlement of the Issue will be done through the escrow account of the Issuer and the account details are given in the section on ‘Payment Mechanism’ of this Disclosure Document.</p>

	<ul style="list-style-type: none">• Provisional or Final Allocation<p>Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.</p>• Method of Allotment<p>The allotment will be done on the basis as mentioned in the respective issue addendum in line with EBP Guidelines.</p>• Settlement cycle<p>The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day or T+2 as more specifically mentioned in the respective issue Addendum where T is the Bidding day. For further, details, please see below section named ‘Settlement Process’.</p>• How to bid?<p>All Eligible Participants will have to register themselves as a one-time exercise (if not already registered) under the BSE EBP platform offered by BSE for participating in the electronic book mechanism. Eligible Participants will also have to complete the mandatory KYC verification process.</p>• Eligible Participants should refer to the Operational Guidelines<p>The details of the Issue shall be entered on the BSE EBP platform by the Issuer at least 2 (two) working days prior to the Issue / Bid Opening Date, in accordance with the Operational Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the BSE – EBP platform, at least 1 (one) working day before the start of the Issue / Bid Opening Date. A bidder will only be able to enter the amount while placing their bids in the BSE – EBP platform, since the proposed issue is a fixed rate/coupon issue.</p>• Payment Mechanism<p>Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.</p><p>The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).</p>
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Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:</p> <table border="1"> <tr> <td>Name of Bank</td> <td>HDFC BANK</td> </tr> <tr> <td>IFSC Code</td> <td>HDFC0000060</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LIMITED</td> </tr> </table> <table border="1"> <tr> <td>Name of Bank</td> <td>ICICI Bank Ltd.</td> </tr> <tr> <td>IFSC Code</td> <td>ICIC0000106</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> </table> <table border="1"> <tr> <td>Name of Bank</td> <td>YES BANK</td> </tr> <tr> <td>IFSC Code</td> <td>YESB0CMSNOC</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> </table> <p>Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.</p> <ul style="list-style-type: none"> Settlement Process <p>Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder.</p> <p>The Company shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).</p> Post-Allocation Disclosures by the EBP <p>Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the Operational Guidelines. The EBP shall</p> 	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD	Name of Bank	YES BANK	IFSC Code	YESB0CMSNOC	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
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	upload such data, as provided by the Issuer, on its website to make it available to the public
Method of Allotment	Uniform Yield
Bid Timing	10.00 am to 2.00 pm
Settlement cycle	T+1
Manner of Bidding	Open
Settlement Through	ICCL & BSE
Depositories	NSDL/CDSL
Business Day Convention	If the Coupon Payment Date or the Principal Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. If the Maturity Date / Redemption Date (including the last Coupon Payment Date and the last Principal Payment Date) or the due date in respect of liquidated damages and all other monies payable under the Debenture Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for 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.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in in Clause 7.3 below and under the Transaction Documents.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of	<p>The Issue shall be secured by a charge created by the Issuer in favor of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation comprising of the moveable assets of the Issuer as follows:</p> <p>(a) On and from the date of execution of the Deed of Hypothecation, the Issuer shall create a charge over the Hypothecated Property in terms thereof. The Security Cover to be maintained by the Issuer shall be equal to 1.05 (One Decimal Point Zero Five) times the aggregate principal amount outstanding of the Debentures (“Security Cover”). It is clarified that the Security Cover shall be sufficient to cover the principal and coupon amounts outstanding under the Debentures at all times. The Issuer undertakes:</p> <p>(i) to maintain the value of Security Cover at all times till the obligations under the Issue are discharged;</p>

<p>creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document / Information Memorandum.</p>	<ul style="list-style-type: none"> (ii) to create the charge over the Hypothecated Property by executing a duly stamped deed of hypothecation (“Deed of Hypothecation”) on or before the Deemed Date of Allotment and filing the relevant form immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation; (iii) On and from the Deemed Date of Allotment, till the Maturity Date, to provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover (“Monthly Hypothecated Asset Report”). (iv) Any substitution, addition and/or replacement of the Hypothecated Property shall be made under the terms of the Deed of Hypothecation. (v) The Issuer hereby undertakes that the Hypothecated Property over which charge has been created by the Debenture Trustee is free from any encumbrances.
<p>Transaction Documents</p>	<p>Shall be as set out in Clause 7.1 below.</p>
<p>Conditions Precedent to Disbursement</p>	<ol style="list-style-type: none"> 1. The Issuer shall deliver to the Debenture Holders, a certified true copy of the Issuer’s constitutional documents and certificate of incorporation, as amended up-to-date; 2. The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the Board of Directors of the Issuer authorizing the issue of Debentures as also execution of the necessary documents in that behalf; 3. The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the shareholders of the Issuer under section 42 of the Companies Act, 2013; 4. The Issuer shall deliver to the Debenture Holders, a certified true copy of the resolution of the shareholders of the Issuer under section 180(1)(a) and section 180(1)(c) of the Companies Act, 2013; 5. The Issuer shall obtain the in-principle approval for listing the Debentures on the WDM segment of BSE; 6. Execution by the Issuer of the Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 7. A near final version of the legal opinion on the capacity of the Company to enter into the Transaction Documents and the enforceability of the Transaction Documents to be provided to the Debenture Holders, and 8. Such other undertaking as may be required from the Company.
<p>Conditions Subsequent to Disbursement</p>	<ol style="list-style-type: none"> 1. Within 30 (Thirty) days from circulation of the Information Memorandum, the Issuer shall maintain the record with respect to the issuance of the Debentures in Form PAS-5 specified pursuant to sub-rule (3) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the requisite fee with the Registrar of Companies;

	<ol style="list-style-type: none"> 2. On or prior to the utilisation of the subscription monies by the Issuer in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Issuer shall file a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; 3. Within 4 (Four) Business Days from the Deemed Date of Allotment, the Issuer shall complete listing of the Debentures on the WDM segment of the Bombay Stock Exchange (BSE) and list the Debentures on the BSE; 4. Within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall file Form CHG-9 with the applicable Registrar of Companies for the perfection of Security; 5. Within 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation, the Issuer shall share the evidence with the Debenture Holder(s) in respect of the registration of Security over the Hypothecated Property with the CERSAI; and 6. Within 45 (Forty five) calendar days from the Deemed Date of Allotment, the Issuer shall provide an executed legal opinion on the capacity of the Company to enter into the Transaction Documents and the enforceability of the Transaction Documents to be provided to the Debenture Holders.
<p>Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>As mentioned in Clause 7.4 below.</p>
<p>Creation of recovery expense fund</p>	<p>a. Details and purpose of the recovery expense fund</p> <p>The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207).</p>
<p>Conditions for breach of covenants (as specified in the Debenture Trust Deed)</p>	<p>As set out in detail under Clause 7.4 below.</p>
<p>Provisions related to Cross Default Clause</p>	<p>If the Issuer, in regard to any Financial Indebtedness:</p> <ol style="list-style-type: none"> (a) defaults in any payment of any 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

	<p>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</p> <p>(c) due to any default or an event of default, any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk factors pertaining to the issue	As mentioned in SECTION 3: above.
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cash-flows	Kindly refer to Annexure VI of the Information Memorandum
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in New Delhi, India and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India.

For Arohan Financial Services Limited

 Authorised Signatory

Name: Anirudh Singh G Thakur
 Title: Legal, Compliance & Company Secretary

Date: December 10, 2020