

No. _____
Addressed to: _____

INFORMATION MEMORANDUM

AROHAN FINANCIAL SERVICES PRIVATE LIMITED

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: September 27, 1991

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

Telephone No.: +91 33 4015 6000

Information Memorandum for issue of Debentures on a Private Placement Basis

Dated: March 28, 2018

Issue of 650 (Six Hundred and Fifty) Unsecured, Subordinated, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs. 65,00,00,000/- (Rupees Sixty Five Crores only) on a private placement basis (the "Issue")

Background

This Information Memorandum prepared under the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended), the Securities and Exchange Board of India (Issue and Listing of Debt) Regulations, 2008 as amended by the Securities and Exchange Board of India (Issue and Listing of Debt) Regulations, 2012, for private placement of the Debentures is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debt securities to be issued by Arohan Financial Services Private Limited (the "Issuer" or "Company"). This is only an information brochure intended for private use.

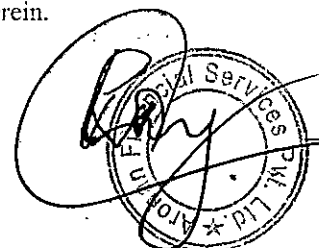
This Information Memorandum contains relevant information and disclosures required for the purpose of issuing and allotting the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through a resolution passed by the shareholders of the Issuer on August 29, 2017 and the Board of Directors of the Issuer on February 16, 2018 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated August 29, 2017 in accordance with provisions of the Companies Act 2013 (the "2013 Act"), the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit for amounts up to Rs. 65,00,00,000/- (Rs. Sixty Five Crores only). The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors on Page 16 of this memorandum of private placement for issue of Debentures on a private placement basis ("Information Memorandum" or "Disclosure Document"). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ 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. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.



Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings. The Rating Agency has vide its letter dated _____, 2018 assigned a rating of **CARE A-** in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter dated March 28, 2018 from the Rating Agency assigning the credit rating abovementioned and disclosing the rating rationale adopted for the aforesaid rating.

Issue Schedule

Issue Opens on: March 28, 2018
 Issue Closing on: March 28, 2018
 Deemed Date of Allotment: March 28, 2018

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

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

Sole Arrangers**NORTHERN
ARC**

Northern Arc Capital Ltd.
 10th Floor-Phase 1, IIT-Madras
 Research Park, Kanagam Village,
 Tharamani, Chennai- 600 113
 Contact Person: Mr Vineet Sukumar
 Tel: +91-44-6668 7000
 Fax: +91-44-6668 7010
 Email: contact.capital@ifmr.co.in
 Website: <http://capital.ifmr.co.in>

**Registrar and Transfer
Agent**

Link Intime India Pvt Ltd
 C-13, Pannalal, Silk Mills Compound,
 L B S Marg,
 Bhandup (west)
 Mumbai- 400078
 Maharashtra, India
 Tel: +91-22-25946970
 Fax: +91-22-25946969
 Contact Person: Mr Ganesh Jadhav
 Website: [http:// www.linkintime.co.in](http://www.linkintime.co.in)

Debenture Trustee**CATALYST TRUSTEESHIP
LIMITED**

GDA House, First Floor, Plot No. 85
 S. No. 94 & 95, Bhusari Colony (Right),
 Kothrud Pune Maharashtra 411038 India
 India Tel: 022 49220507

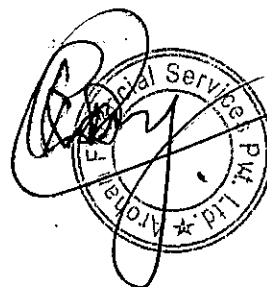
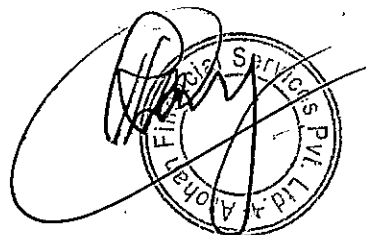


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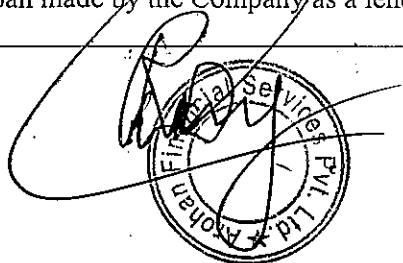
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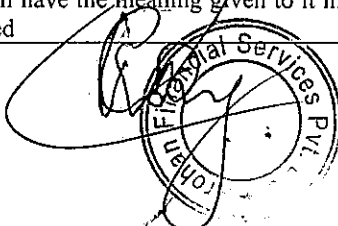
SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

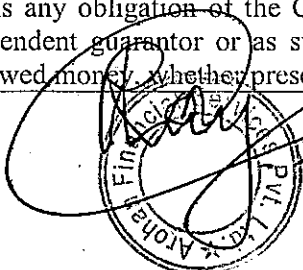
Act	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
Adjusted Return 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
Applicant	Means a person who has submitted a completed Application Form to the Company
Application Form	Means the application form in the Debt Disclosure Document
Application Money	Means the subscription monies paid by the Applicants at the time of submitting the Application Form
Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue
Applicable Law(s)	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
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
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 the BSE Limited
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Chennai or a Sunday, on which banks are open for general business in Chennai
Business Day Convention	If the Due Date in respect of any interest or 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 succeeding Business Day shall be the due date for such payment. Further, if the Due Date in respect of the Redemption Date 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
Capital Adequacy Ratio	Means the capital adequacy ratio prescribed by the RBI for NBFCs 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
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: www.cites.org
Client Loan	Means each loan made by the Company as a lender



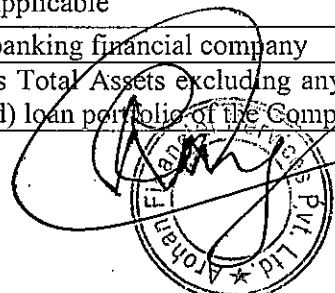
Constitutional Documents	Means the memorandum of association and the articles of association of the Company						
Control	Means and includes the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner						
Crore	Ten Million						
Debentures/NCDs	650 (Six hundred and fifty) Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures bearing a face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating to Rs. 65,00,00,000/- (Rupees Sixty Five Crores only), issued in 2 (Two) series as set out below. <table border="1"> <thead> <tr> <th>Series</th><th>Number of Debentures</th></tr> </thead> <tbody> <tr> <td>A</td><td>350</td></tr> <tr> <td>B</td><td>300</td></tr> </tbody> </table>	Series	Number of Debentures	A	350	B	300
Series	Number of Debentures						
A	350						
B	300						
Debenture Holders / Investors	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, where such Debentures are held in dematerialised form and the Register of Debenture Holders, where such Debentures are held in physical form						
Deemed Date of Allotment	March 28, 2018						
Debenture Trustee	Catalyst Trusteeship Limited						
Debenture Trustee Agreement	Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.						
Debenture Trustee Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time)						
Debt Disclosure Document	Means the information memorandum dated March 28, 2018 issued by the Company for the issue of the Debentures on a private placement basis						
Debt Listing Regulations	Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended or restated from time to time)						
Debenture Trust Deed	Shall mean the Trust Deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer						
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.						
Depositories Act	The Depositories Act, 1996, as amended from time to time						
Depository	Means the depository with whom the Company has made arrangements for dematerializing the Debentures, being CDSL or NSDL						
Depository Participant / DP	A depository participant as defined under the Depositories Act						
Director(s)	Director(s) of the Issuer.						
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.						
DP ID	Depository Participant Identification Number.						
DRR	Shall have the meaning given to it in Clause 2.19 of the Debenture Trust Deed						



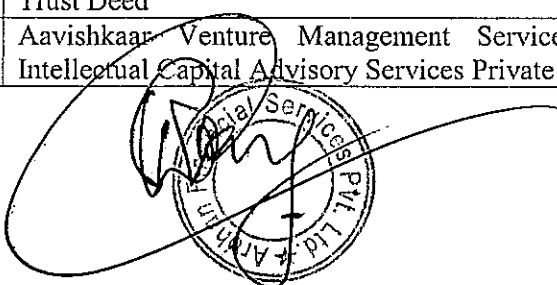
	Redemption Amount or premature redemption amount and all other monies payable under the Debenture Trust Deed, are due and payable.
Equity	Means the total equity of the Company, including shareholders' equity, preference shares, reserves, retained earnings or losses, current year cumulated net income or loss and Subordinated Debt
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in 7.14 below.
Events of Default	Means each of the events specified in Clause 4.2 of the Debenture Trust Deed
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
Final Redemption Date	Means April 28, 2025
Financial Year/ FY	Means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
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 and includes the outstanding principal amount of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book
Indebtedness	Means any obligation of the Company (whether incurred as principal, independent guarantor or as surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent



Indian GAAP	Shall mean the generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Company
Interest Expense	Means all interest payable by the Company on all borrowings of the Company and all financial assistance availed by the Company from any bank, financial institution or any other person
Interest Payment Date	Means the payment dates as specified in Schedule III, unless such day is not a Business Day, in which case the payment date will be the next Business Day
Interest Rate	Means 13.50% (thirteen decimal point five zero percent) coupon for the initial 43 months compounded monthly payable annually 13.25% (thirteen decimal point two five percent) coupon for the remaining 42 months compounded monthly payable annually
Issue Closing Date	March 28, 2018
Issue Opening Date	March 28, 2018
Issuer/ Company	Arohan Financial Services Private Limited
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, 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
Loan Loss Reserves	Means the portion of Client Loans that has been expensed (provided for) in anticipation of losses due to default
Local Currency	Means Indian Rupees (denoted as "INR" or "Rs."), the lawful currency of India
Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 66% (Sixty Six Percent) of the value of the Outstanding Principal Amounts of the Debentures
Majority Resolution	Means resolution approved by such number of Debenture Holders that represent more than 66% (Sixty Six Percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 66% (sixty six percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
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; (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)
Maturity Date	April 28, 2025, being 85 months from the Deemed Date of Allotment, or such other date on which the final payment of the Debentures becomes due and payable as herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A	Not Applicable
NBFC	Non-banking financial company
Net Assets	Means Total Assets excluding any securitized assets or managed (non-owned) loan portfolio of the Company



Net Income	Shall mean, for any particular period and with respect to the Company, all revenue (including Donations and grants) less all expenses (including taxes, if any for such period)
Net Owned Funds	Has the meaning ascribed to it under Section 45IA of the RBI Act, 1934
Nominee Director	Shall have the meaning given to it in Clause 5.8 of the Debenture Trust Deed
NBFC Master Circular	Means the master circular no. DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 dated July 1, 2015 on Systematically Important Non-Banking Financial (Non - Deposit Accepting or Holding) Companies (as amended or modified or restated from time to time)
NSDL	National Securities Depository Limited
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 Transaction Documents, including without limitation, all costs, charges, expenses and other monies payable by the Company in respect of the Debentures
Outstanding 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
Outstanding Principal Amounts	Means, at any date, the principal amount outstanding under the Debentures
Outstanding Amounts	Means the Outstanding Principal Amounts, together with all interest, fees, costs, commissions, charges, fees of Trustee and other amounts due and payable by the Company under or in respect of the Debenture Trust Deed or any Transaction Document
PAN	Permanent Account Number
Payment Default	Shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default under Clause 4.2(a) of the Debenture Trust Deed
PAR 90	Shall mean the outstanding principal amounts of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than or equal to 91 (Ninety One) days and includes restructured loans.
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
Private Placement Offer Letter	The offer letter prepared in compliance with Section 42 of the 2013 Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and attached herewith as Annexure VII to this Information Memorandum.
Proceedings	Shall have the meaning given to it in Clause 7(b)(ii) of the Debenture Trust Deed
Promoter	Aavishkaar Venture Management Services Private Limited and Intellectual Capital Advisory Services Private Limited



Purpose	For the purpose of augmenting its Tier II capital, the Company has proposed to issue 650 (Six Hundred and Fifty) unsecured, subordinated, rated, listed, transferable, redeemable, taxable, and non-convertible debentures each having a face value of INR 10,00,000/- (Indian Rupees Ten Lakh only) and of the aggregate face value of INR 65,00,00,000/- (Indian Rupees Sixty Five Crores only)
Rating Agency	Means CARE Ratings or any rating agency approved by SEBI for carrying out debt ratings in India
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 3 (Three) days prior to any Due Date.
Redemption Installment	Shall have the meaning given to it in Clause 2.8 of the Debenture Trust Deed
Redemption Amounts	with respect to each Debenture shall mean the principal amount of Rs 10,00,000/- (Rupees Ten Lakh only) plus the accrued Interest and Default Interest payable, (if any)
Register of Beneficial Owners	Means the register of beneficial owners of the Debentures maintained in the records of the NSDL or CDSL, as the case may be
Register of Debenture Holders	Means the register maintained by the Company at its registered office and containing the names of the Debenture Holders
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Integrated Enterprises India Limited
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
Risk Weighted Assets	Shall be calculated as per the method prescribed in the NBFC Master Circular
ROC	Means the jurisdictional Registrar of Companies
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Special Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 75% (Seventy Five Percent) of the value of the Outstanding Principal Amounts of the Debentures
Special Resolution	means resolution approved by such number of Debenture Holders that represent more than 75% (Seventy Five Percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (Seventy Five Percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
Subordinated Debt	Means all funds received by the Company on unsecured basis that rank lower in repayment to other debts, but is senior to equity and that may be accounted for as "Tier II Capital" as defined under the NBFC Master Circular

Tangible Net Worth	Means the net worth (as defined in the Act) of the Company according to the latest available audited balance sheet, net of redeemable capital, intangible assets and deferred tax assets
TDS	Tax Deducted at Source.
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 under the Debenture Trust Deed
The Companies Act/ the Act	The Companies Act, 1956 ("1956 Act") or where applicable the notified provisions of the Companies Act, 2013 ("2013 Act").
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Tier I Capital	Has the meaning ascribed to it in the NBFC Master Circular
Tier II Capital	Has the meaning ascribed to it in the NBFC Master Circular
Total Assets	Means, for any date of determination, the total Assets of the Company on such date, including owned, securitised and managed (non-owned) portfolio
Total Liabilities	Means, for any date of determination, the total Liabilities of the Company on such date
Total Loans	Means the outstanding aggregate principal amount of all Client Loans and other credit facilities provided by the Company, including securitized assets and managed (non-owned) portfolio
Transaction Documents	Shall have the meaning given to it in Clause 2.4(e) of the Debenture Trust Deed
Trust	Shall have the meaning given to it in Clause 2.4(b) of the Debenture Trust Deed
WDM	Wholesale Debt Market segment of BSE

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Arpan Financial Services Pvt. Ltd." around the perimeter and "13.03.2018" in the center.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

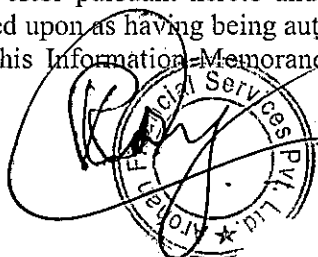
This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a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

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. However pursuant to the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company undertakes to file the Private Placement Offer Letter with SEBI and the Registrar of Companies (through the online portal provided by the Ministry of Corporate Affairs) within 30 days from the Deemed Date of Allotment as per the provisions of the 2013 Act and the applicable rules thereunder.

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

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

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects and no responsibility is accepted by any intermediary involved in this Issue as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer. Accordingly, all such intermediaries associated with this Issue shall have no liability in relation to the information contained in this Information Memorandum or any other information provided by the Issuer in connection with the Issue. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer



Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the respective 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 Information Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

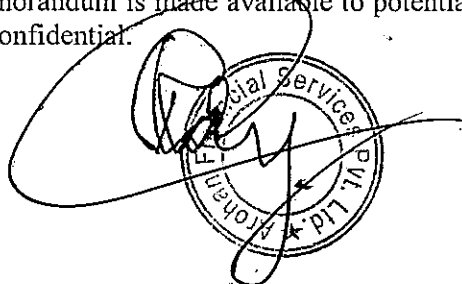
No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

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

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

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

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

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Mohanlal Services Pvt. Ltd." around the perimeter and a star in the center. The signature is written in a cursive style, with the first part being a large, stylized letter 'M'.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

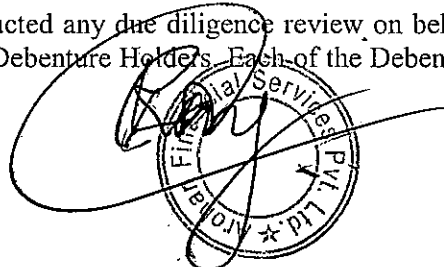
2.3 DISCLAIMER CLAUSE OF SEBI

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

2.4 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 Information Memorandum and/or the Private Placement Offer Letter. 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 Information Memorandum 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 Information Memorandum and/or the Private Placement Offer Letter. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum and/or the Private Placement Offer Letter, nor is the Sole Arranger responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum and/or the Private Placement Offer Letter. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum and/or the Private Placement Offer Letter. It is to be distinctly understood that the aforesaid use of this Information Memorandum and/or the Private Placement Offer Letter by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum and/or the Private Placement Offer Letter has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum and/or the Private Placement Offer Letter 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 Information Memorandum and/or the Private Placement Offer Letter.

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 Information Memorandum and/or the Private Placement Offer Letter 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 Information Memorandum and/or the Private Placement Offer Letter. 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 Information Memorandum and/or the Private Placement Offer Letter. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum and/or the Private Placement Offer Letter nor 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 Information Memorandum 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 Information Memorandum and/or the Private Placement Offer Letter. The receipt of this Information Memorandum and/or the Private Placement Offer Letter 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 Information Memorandum and/or the Private Placement Offer Letter acknowledges that:

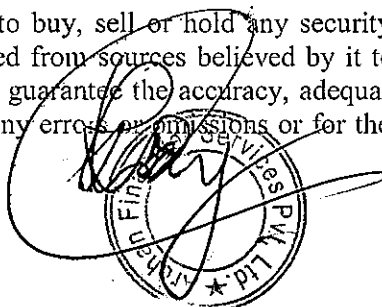
- (a) each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- (b) such recipient has not relied on the Sole Arranger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

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Information Memorandum, who shall be specifically approached by the Issuer. This Information Memorandum 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 Chennai / Kolkata, India. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

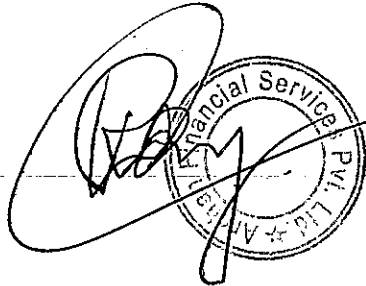
Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating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



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

2.7 ISSUE OF DEBENTURES IN 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 the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



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

3.9 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.

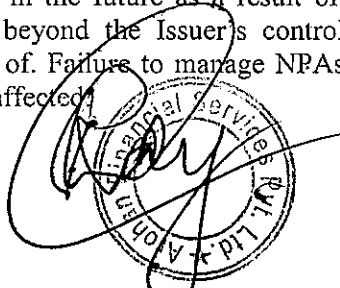
3.10 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) All of the loans provided by the Issuer are unsecured and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected.

All of the loans of the Issuer are unsecured. Non-performing or low credit quality loans can negatively impact its results of operations.

As at December 31, 2017, the gross NPA was 5139 Lakhs on a gross portfolio of Rs. 1536.44 Crores (including managed / securitized portfolio of Rs. 53.11 Crores).

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



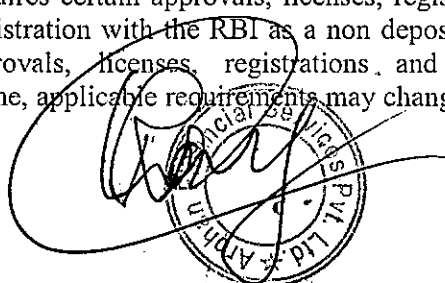
The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required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

(b) 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.

(c) 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.

Non Banking Financial Companies in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a non deposit taking NBFC (NBFC-ND). Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not

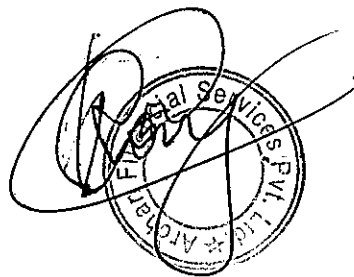


be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment 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, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that the Issuer has not complied with any of these conditions, its certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

- (d) **Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.**

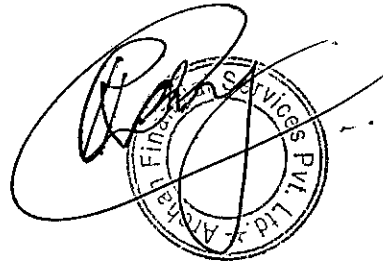
The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% in relation to aggregate risk-weighted assets and risk adjusted assigned loans.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.



SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31.03.2017 are set out in **Annexure V** hereto.



SECTION 5: REGULATORY DISCLOSURES

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

5.1 Documents Submitted to the Exchanges

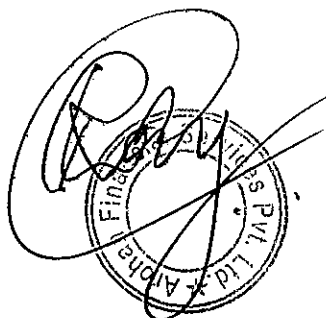
The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (d) Certified true copy of the resolution passed by the Company at the Annual General Meeting held on August 29, 2017 authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR – 20,000,000,000 (Indian Rupees Two Thousand Crores only)
- (e) Certified true copy of the resolution passed by the Company at the – Board Meeting held on February 16, 2018 authorising the Company to issue non-convertible debentures to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 100,00,00,000/- (Indian Rupees One Hundred Crores only);.
- (f) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) at the time of 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) 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;
- (d) 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 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "Alpha Financials Pvt. Ltd." around the perimeter.

5.3 Name and Address of Registered Office of the Issuer

Name: Arohan Financial Services Private Limited

Registered Office of Issuer: PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091

Corporate Office of Issuer: PTI Building, 4th Floor, Block DP, DP-9, Sector V, Salt Lake City, Kolkata – 700091

Compliance Officer of Issuer: Mr. Dinesh Mourya

CFO of Issuer: Mr. Milind Nare

Corporate Identification Number: U74140WB1991PTC053189

Contact Person: Mr. Dinesh Mourya

Auditors of the Issuer: Walker Chandiok & Co LLP

Trustee to the Issue: Catalyst Trusteeship Limited

Registrar to the Issue: Link Intime India Pvt Ltd
C-13, Pannalal, Silk Mills Compound,
L B S Marg,
Bhandup (west)
Mumbai- 400078
Maharashtra, India

Credit Rating Agency for the Issue: CARE Ratings

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

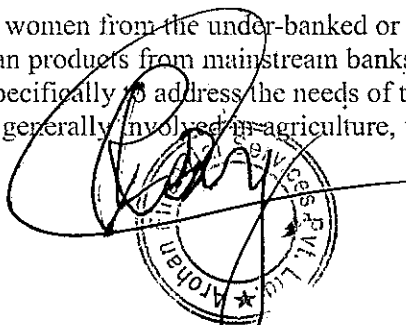
(a) OVERVIEW

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

MAIN OBJECTS AND BUSINESS OF THE ISSUER

Business: Arohan Financial Services (P) Ltd is a leading NBFC MFI (microfinance institution) licensed by the RBI (Reg. No.B.05.02932). Headquartered in Kolkata, it is focused on serving customers from the socio-economically disadvantaged section of the society in Eastern, North Eastern and Central parts of the country with a range of financial services which includes low ticket size credit products. It is currently operating in seven financially excluded states viz. West Bengal, Bihar, Jharkhand, Odisha, Assam, Meghalaya and Chhattisgarh serving over 7,25,000 micro borrowers, through a network of 272 branches, with an employee strength of over 2400. It is currently one of India's fastest growing MFIs and is among the top 10 NBFC-MFIs in the country with an outstanding portfolio of INR 1015 crores as on March 31, 2017.

Close to 96% of Arohan's customer base are women from the under-banked or unbanked sections of society and find it impossible to obtain loan products from mainstream banks. Arohan's micro-credit products such as "Saras" is designed specifically to address the needs of these economically active women residing in low income areas, generally involved in agriculture, trade and services.



Arohan also provides other loan products such as “Bazaar”, which is for vendors in authorized market, “Premium” product, which is for entrepreneurs involved in non-farm and agri-allied enterprises and “Sanitation loan” for those who require loans for construction of toilets.

To help its customers gain access to utility products at affordable cost, Arohan has tie-ups with brands such as Hero, d.light and Samsung for “Utility Products” which –includes cycles, solar lamps, mobile phones etc. It has also launched Arohan E-Bazaar, a mobile app with exclusive rural assisted commerce platform to offer a wide range of utility products to its customers.

In line with its mission to provide inclusive financial services, Arohan has Banking Correspondent tie-ups with IndusInd Bank and IDBI Bank. This arrangement helps Arohan offer formal banking services to its customers thus facilitating financial inclusion. It has recently ventured into a unique alliance with PayTM Payments Bank to facilitate on-boarding of customers on to a digital transactions platform. Arohan also provides micro-insurance facilities in collaboration with Bajaj Allianz (for term life insurance - Credit Linked Insurance [CLI] and Additional Life Insurance [ALI]) and Future Generali (for general insurance). Arohan won the SKOCH Award for Additional Life Insurance (ALI) as one of the best 100 Financial Inclusion projects in India.

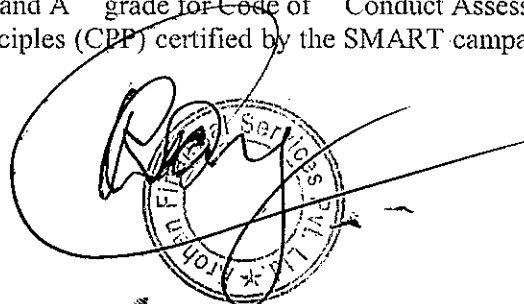
In its quest to reach new geographies and diversify its portfolio, Arohan works with strong, local partners. It has a sourcing and collection partnership with Gram Utthan Financial Services in Odisha and C.Dot in Bihar. This arrangement enables the partners to source and service micro-credit and other allied products/ services on Arohan’s behalf in far flung geographies. Arohan also engages in partnerships by way of buying portfolio in regional organizations in its focus states. It has engaged in assignment and securitization transactions with organizations such as Sarala, Vedika and Janakalyan amongst others. This arrangement further increases Arohan’s outreach in its areas of operation.

Arohan has a robust Information Technology infrastructure. Arohan is the first among its peers to facilitate a mobility solution for its microloan origination and repayment process through a mobile based android application called ‘Gravity’. This helps capture operational transactions in the field on a real time basis while also helping in real time authentication of customers, e-KYC and credit bureau checks. It has also initiated the implementation of state-of-the art Core Banking Solution provided by FIS for loan origination and management system. It has also rolled out ‘Predix’, a Centralized Digital Audit System.

Arohan’s social interventions aim at catering to the communities it operates in with a long term vision to touch over 10,00,000 lives in the next three years through the various CSR initiatives. Our Corporate Social Responsibility initiative has gained more traction with skill building initiatives, women’s health and welfare through health camps, anti-trafficking measures, disaster relief and employee volunteering programmes. Arohan has been the recipient of the Jury Award for CSR Practice of the Year 2017, part of the CSR Excellence Awards at The India International CSR Conclave and Awards, held in Delhi. Arohan also runs a Financial Literacy programme in association with Accion which is designed to empower its customers with the knowledge of financial planning, cash flow and budgeting, savings, debt, insurance, investment and banking through classroom trainings, as well as, mass awareness campaigns.

Arohan has a Bank Loan Rating of A-, a top notch MFI 1 grading, a Social Performance Assessment rating of SP2+ by CARE and A grade for Code of Conduct Assessment by ICRA. Arohan is also Client Protection Principles (CPP) certified by the SMART campaign (one of the first 7 MFIs in India and 32 globally)

PRODUCT DETAILS



A. Product details

Product	Customer Profile	Ticket Size	Rate	Tenure
Saral	Economically active women residing in low income areas, generally involved in trade & services.	INR 10,000 - 50,000	20.99%	12 - 24 months
Bazaar	The 'Bazaar' Product is offered to shopkeepers who run the day-to-day operations of their shops, usually with themselves or with family members, normally dealing in goods related to domestic needs (food, grocery, stationery, etc.).	INR 10,000 - 50,000	20.99%	12 - 24 months
Premium	Individual entrepreneurs involved in non-farm enterprises (manufacturing, service units farm allied enterprises, animal husbandry and retail trade).	INR 50,000-2,00,000	26.99%	12 - 24 months
Sanitation Loan	Secondary and Individual Loans for construction of toilets.	INR 15,100	22%	12 - 24 months
Product Loan	Secondary and Individual Loans for various cross-sell utility products	INR 1100-13,000	20.99%	3/6/9/12/18 months

B. Processes

Joint Liability Group Lending Business Processes

Customer Due Diligence, Credit Appraisal and Loan Origination processes

Our branches enroll customers who satisfy the target clientele criteria. The size of the groups is 5 women customers in a group. Two to six such groups form a center which typically has [10 to 30] customers in Saral. Once the interested women customers have formed their groups, we provide further information to them, such as a brief introduction to our Company, criteria for group formation and group responsibilities.

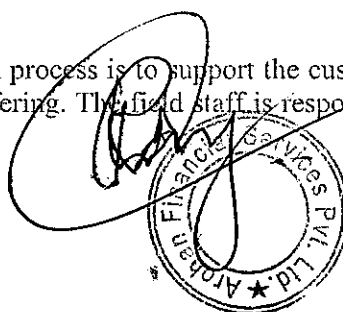
Once potential customers start approaching the field staff or forming JLGs and loan, the field staff conducts Pre-Training Meeting with all customers to reduce the possibility of a member being rejected at the time of customer Verification and group training. The Pre-Training Meeting are conducted for at least 10-minutewith the prospective customers to:

- assess their eligibility for group formation
- finalize a center location where up to 30 individuals can be accommodated
- and check whether the proximity (within 500 m / a 10 min walk) of the location from customer's house.

After completing Pre-Training Meeting, the CSR identifies a convenient time to conduct Verification process.

The first objective of the customer Verification process is to get a well-rounded picture of the customer's reliability to pay the loan back within the stated time-period through household verification. In addition to other factors, this process includes assessing the customer's current debt and ability to absorb the loan amount.

The second objective of the Verification process is to support the customer in making an informed decision regarding Arohan's product offering. The field staff is responsible for making certain that



the customer fully understands the loan terms and conditions so that they can identify if the product will help meet their financial needs. Field staff strongly emphasizes that availing of non-credit products are purely voluntary and not linked at all to the grant of loan by Arohan.

All of our field staff are equipped with tablets and internet connection for real time authentication of customer's KYC, verification of customer mobile number and Credit Bureau checks. All the relevant customer information is filled in tablet /Mobility Platform. At this point, Loan Application is created in Loan Origination system called Gravity by field staff. All the necessary documentation is done at the customer's premises.

Field staff also assess the customer's reputation and credibility by speaking with minimum two neighbors other than the relative or same JLG members. Neighbor's feedback are taken after or before the verification but needs to be done before the CGT.

Upon receiving a positive credit bureau response, the field staff will conduct compulsory group training ("CGT"). All of the new customers have to undergo a CGT of two days. We believe that group training is necessary for developing group solidarity and strict credit discipline. Having strong cohesive groups with a commitment to credit discipline is one of the contributing factors to the expansion of microfinance. We take time to teach every group to work together cordially and be responsible for financial transactions, both individually and as a group.

Loan Evaluation, Loan Sanction and Further Processing

Branch Head(BH) /Assistant Branch Head (ABH) does Cross-Verification process of those customers whose Verification process is completed by Field Staff. Branch Head/Assistant Branch Head visits the homes for Saral and shop for bazaar of the JLG members and inputs his/her confirmation in LOS through mobility platform. During Cross-Verification process the Branch Head/Assistant Branch Head cross verifies the information collected by Field staff about customer. After successful completion of CGT, the group is recommended for group recognition test ("GRT"). The branch head is responsible for conducting the GRT. The branch head conducts the GRT of the group according to the GRT form. The GRT is designed to assess the quality of the proposed group and to confirm that they meet all necessary criteria. Based on the results of the GRT, the Branch head decides whether to approve the group or not.

After evaluation of CB report and successful completion of Cross-Verification and GRT processes the branch head sanctions the loan. Branch Head uploads the loan application from LOS to centralized operations unit known as "Central HUB".

Central HUB will create the Loan Application in Loan Management System (LMS) after doing quality check. Once Loan Application is created in LMS, Branch will call customer to branch for disbursement.

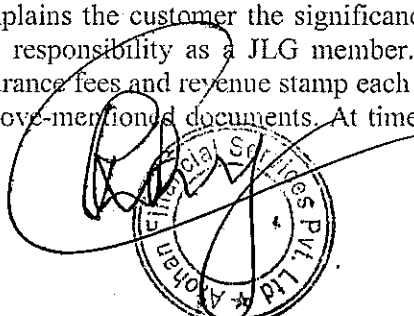
Through this processes, we ensure that there are multiple levels of check before enrolling a new group or customer.

Disbursement Processes

Once Loan Sourcing followed by Loan Sanction is done, BH will disburse loans to the customers at the branch. All the members from a Group are called for disbursement together. BH prepares the following documents before disbursement process

- Pronote (System generated)
- Loan agreement and Loan sanction form(System generated) – one customer copy and one branch copy
- Customer information & application form(System generated)
- Loan Card(System generated)
- Centre Attendance Register –CAR

During disbursement process, BH explains the customer the significance of the above-mentioned documents and reiterates customer's responsibility as a JLG member. BH then verifies that all customers have brought the LPF, insurance fees and revenue stamp each before disbursing the loan. BH then ask customers to sign on above-mentioned documents. At time of cash disbursement BH



hands-over the customer's copy of Loan agreement & Loan Sanction Letter and Loan Card to customer.

While disbursements are primarily in cash, customers are encouraged to receive disbursements through electronic funds transfers to their respective bank accounts

Center Meetings and Repayment Process

A Center Meeting is one of the core activities for our field staff. We ensure that center meetings are conducted strictly as set out in our operational guidelines on a Monthly basis. For Bazaar Fortnightly product center meeting is conducted fortnightly.

Center meetings are vital for us for the following reasons

- all repayment transactions with our customers are conducted at the center meeting;
- the center meeting is our point of contact with our customers, which helps in relationship building with the customer;
- all our important schemes and policies are shared with our customers at the meeting

The time gap between the date of disbursement and a JLG's first date of center meeting is at least 30 days, but no more than 59 days. Arohan practices a system whereby center meeting dates are scheduled from Monday to Friday of the first 4 weeks of the month.

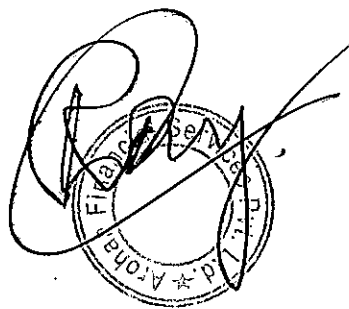
Center Meetings are scheduled between 8:00 am to 12 noon. This ensure five slots every day of 60 minutes each for collecting repayment at different centers. Center meetings for Repayment are completed within 35 minutes; 20 minutes for collection and recording and another 15 minutes for interacting with customers in a friendly manner, enquiring about their well-being, developments in the area and educating them about additional products & services from Arohan.

In case there is non payment from a customer then branch staff will educate the customer about the negative impacts of having an overdue account. Branch staff will reiterate to the other JLG members about centre liability and responsibility with regard to overdue within JLG and center

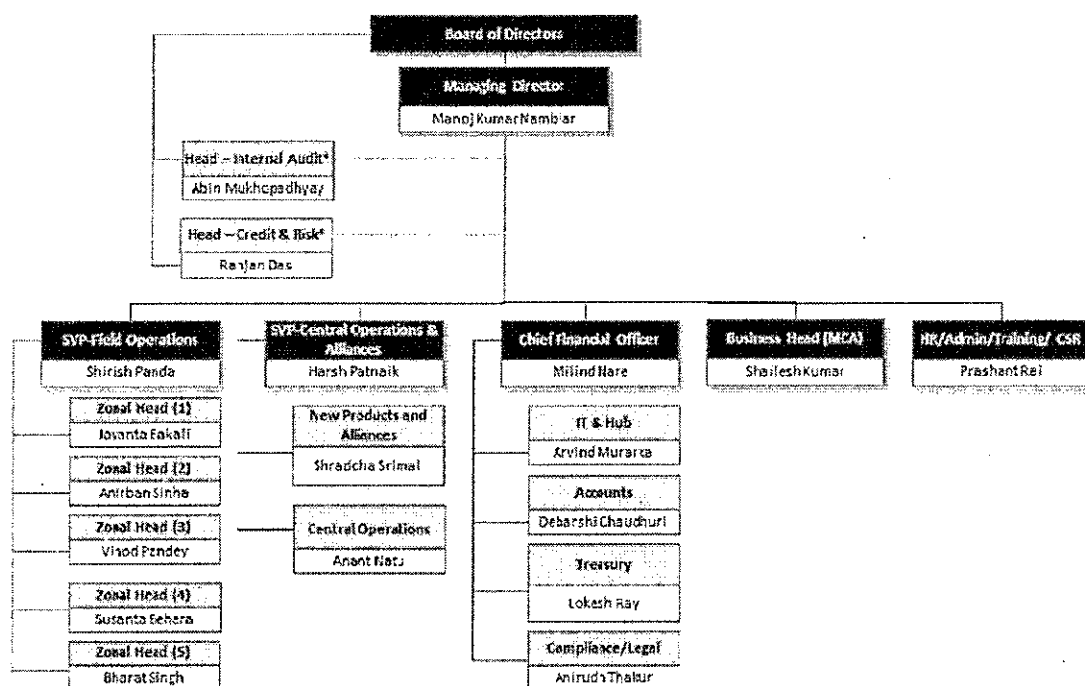
OUTSTANDING LITIGATION

There is no outstanding litigation pending against the Issuer which may have any material adverse effect on its business prospects or financial condition.

(b) CORPORATE STRUCTURE



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



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

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

In Lakhs	Audited	Audited	Audited
	31-Mar-15	31-Mar-16	31-Mar-17
Net worth	13,804.38	16,022.26	34,117.25
Total Debt	36,534.07	56,492.90	115,537.70
- Non current maturities of long term Borrowings	11,943.24	23,556.98	41,437.86
- short term borrowings	185.9	4178.01	6,795.30
- Current maturities of long term Borrowings	24,404.94	28,680.61	37,734.71
Net Fixed Assets	171.71	233.84	259.72
Non-Current Assets	6,688.21	14,423.23	
Cash and Cash equivalents	12,049.89	8,262.71	18,268.22
Current investments	100	-	5.00
Current Assets	45,057.49	58,523.95	23,038.62
Current liabilities	25,961.58	28,680.61	37,734.71
Assets Under Management	36,453.53	58,601.95	88,787.78
Off balance sheet assets	-	-	-
Interest income	7,118.72	11,340.72	18,210.50
Interest Expense	3,556.19	5,909.23	9,342.29
Provisioning & write Offs	209.91	287.48	650.55
PAT	1,089.74	2,165.40	2,746.27
Gross NPA (%)	0.29%	0.36%	0.32%
Net NPA (%)	0.00%	0.00%	0.00%
Tier I Capital Adequacy Ratio (%)	35.88%	25.02%	35.62%
Tier II Capital Adequacy Ratio (%)	Nil	Nil	3.73%

(b) **Gross Debt: Equity Ratio of the Company (as of December 31, 2017):**

Before the issue of debt securities	3.46
After the issue of debt securities	2.70

Calculations:

As on **December 31, 2017** debt-to-equity ratio is calculated as follows:-

Debt (Rs Cr)	1249.14
Equity (Rs Cr)	361.28
Debt/Equity	3.46

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

Debt(Rs Cr)	1249.14
Equity(Rs Cr)	426.28
Debt/Equity	2.93

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

Not Applicable. The proceeds of issuance of the Debentures will be applied to finance the Issuer's customers for income generating activity.

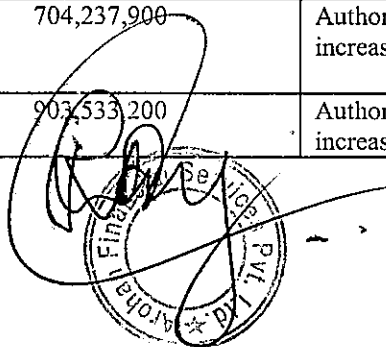
5.5 Brief history of Issuer since its incorporation giving details of its following activities:

a) Details of share capital as of December 31, 2017

Share Capital	Rs.
Authorised	
9,03,53,320 Equity shares of Rs 10/- each	90,35,33,200
TOTAL	90,35,33,200
Issued, Subscribed and Fully Paid- up	
82562368 Equity shares of Rs. 10/- each	82,56,23,680
Less : Amount recoverable from ESOP Trust	24,10,000
Preference Shares	
Nil	
TOTAL	8226,88,680

b) Changes in capital structure as of December 31, 2017 for the last five years

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars
31-Jul-2012	350,000,000	Authorised share capital increased from 300,000,000
19-Sept-2013	450,000,000	Authorised share capital increased from 350,000,000
19-Mar-2015	704,237,900	Authorised Share Capital increased from 450,000,000
15 - December- 2016	903,533,200	Authorised Share Capital increased from 704,237,900



c) Equity share capital history of the Company as of December 31, 2017 for the last five years

Date of Allotment	Name of Investor	No of Equity Shares	Face Value	Issue Price	Consideration	Nature of Allotment	Cumulative Paid Up Capital		
			(Rs)	(Rs)			No of Equity Shares	Equity Share Capital	Equity Share Premium
								(Rs in Crore)	(Rs in Crore)
10-Sep-12	Intellect Microfinance Network Co Pvt Ltd	12569222	10	13	Cash	Fresh Share	12569222	12.57	3.63
10-Sep-12	Aavishkaar Goodwill India Microfinance Development Company	4973858	10	13	Cash	Fresh Share	4973858	4.97	1.44
10-Sep-12	Aavishkaar Venture Management Services Private Limited	6225	10	13	Cash	Fresh Share	6225	0.01	0
10-Sep-12	Michael & Susan Dell Foundation	2133437	10	13	Cash	Fresh Share	2133437	2.13	0.62
10-Sep-12	India Financial Inclusion Fund	930954	10	13	Cash	Fresh Share	930954	0.93	0.27
10-Sep-12	Manoj Kumar Nambiar	193949	10	13	Cash	Fresh Share	193949	0.19	0.06
30-Mar-13	Geeta Nambiar	1000	10	13	Cash	Fresh Share	1000	0	0
30-Mar-13	Shree Ravindranathan	1000	10	13	Cash	Fresh Share	1000	0	0
30-Mar-13	Nalini Agrawal	100	10	13	Cash	Fresh Share	100	0	0
30-Mar-13	Preeti Jha	1002	10	13	Cash	Fresh Share	1002	0	0
30-Mar-13	Kalpana Bhushan	1000	10	13	Cash	Fresh Share	1000	0	0
26-Sep-13	Aavishkaar Goodwill India Microfinance Development Company	9178312	10	20	Cash	Fresh Share	9178312	9.18	9.54
27-Sep-13	Aavishkaar Venture Management Services Private Limited	11487	10	20	Cash	Fresh Share	11487	0.01	0.01
4-Oct-13	Michael & Susan Dell Foundation	1373189	10	20	Cash	Fresh Share	1373189	1.37	1.43
4-Oct-13	Swaminathan Aiyar	150000	10	20	Cash	Fresh Share	150000	0.15	0.16
31-Mar-14	Manoj Kumar Nambiar	193949	10	13	Cash	Fresh Share	193949	0.19	0.06
1/10/2015	Intellect Microfinance	168207	10	21.2	Cash	Fresh Issue	168207	0.17	0.19

	Network Co Pvt.Ltd.								
29-04-2014	Jaydeep Chakraborty	30000	10	13.74	Cash	Transfer	30000	0.03	0.01
30-06-2014	Manoj Kumar Nambiar	54043	10	16.23	Cash	Fresh Issue	54043	0.05	0.03
13-07-2015	Manoj Kumar Nambiar	178387	10	21.2	Cash	Transfer	178387	0.18	0.20
29-11-2014	Madhu Murthy	30807	10	16.23	Cash	Fresh Issue	30807	0.03	0.02
30-06-2014	Shubhankar Sengupta	13510	10	16.23	Cash	Fresh Issue	13510	0.01	0.01
13-07-2015	Shubhankar Sengupta	44597	10	21.2	Cash	Transfer	44597	0.04	0.05
01-10-2015	Shubhankar Sengupta	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.00
01-10-2015	Shubhankar Sengupta	25000	10	13.74	Cash	Exercise of ESOP	25000	0.03	0.01
29-04-2014	Arohan ESOP TRUST	-30000	10	13.74	Cash	Transfer	-30000	-0.03	-0.01
13-07-2015	Arohan ESOP TRUST	-178387	10	21.2	Cash	Transfer	-178387	-0.18	0.20
13-07-2015	Arohan ESOP TRUST	-44597	10	21.2	Cash	Transfer	-44597	-0.04	0.05
1/10/2015	Arohan ESOP TRUST	-5000	10	16.23	Cash	Transfer	-5000	-0.01	0.00
1/10/2015	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	-0.03	-0.01
31/01/2016	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	-0.03	0.009
31/01/2016	Shubhankar Sengupta	20000	10	13.74	Cash	Exercise of ESOP	20000	0.02	0.007
15/01/2016	Shubhankar Sengupta	5000	10	16.23	Cash	Exercise of ESOP	5000	0.008	0.003
05/12/2016	Conversion of Preference Shares to Equity Shares	9077830	10	20.22	Cash	Conversion of CCPS	9077830	18.36	10.22
31/05/2016	Arohan ESOP TRUST	-90000	10	13.74	Cash	Transfer	-90000	0.12	0.03
31/05/2016	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	0.03	0.009
31/05/2016	Manoj Kumar Nambiar	90000	10	13.74	Cash	Exercise of ESOP	90000	0.12	0.03
31/05/2016	Amit Dutta	25000	10	13.74	Cash	Exercise of ESOP	25000	0.03	0.009
31/05/2016	Rajesh Verma	10000	10	13.74	Cash	Exercise of ESOP	10000	0.013	0.003
31/05/2016	Tapas Pal	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Sudeep Chakraborty	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Joyanta Bakali	20000	10	13.74	Cash	Exercise of ESOP	20000	0.027	0.007
31/05/2016	Sayan Debnath	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Amit Sinha	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/08/2016	Arohan ESOP TRUST	-40000	10	16.23	Cash	Transfer	-40000	0.06	0.02
08/08/2016	Manoj Kumar Nambiar	40000	10	16.23	Cash	Exercise of ESOP	-40000	0.06	0.02
	Arohan ESOP	-40000	10	16.23	Cash	Transfer	-40000	0.06	0.02

31/08/2016	TRUST			3					
05/08/2016	Lokesk D Ray	5000	10	16.23	Cash	Exercise of ESOP	-5000	0.008	0.003
12/08/2016	Debarshi Chaudhuri	7500	10	16.23	Cash	Exercise of ESOP	-7500	0.012	0.005
24/08/2016	Madhu Murthy	22500	10	16.23	Cash	Exercise of ESOP	-22500	0.036	0.014
29/08/2016	Somnath Chakraborty	5000	10	16.23	Cash	Exercise of ESOP	5000	0.008	0.003
30/09/2016	Arohan ESOP TRUST	-124900	10	21.20	Cash	Transfer	-124900	0.06	0.13
03/09/2016	Amit Dutta	15000	10	21.20	Cash	Exercise of ESOP	15000	0.03	0.017
03/09/2016	Joyanta Bakali	15000	10	21.20	Cash	Exercise of ESOP	15000	0.03	0.017
03/09/2016	Anant Jayant Natu	5000	10	21.20	Cash	Exercise of ESOP	5000	0.010	0.006
03/09/2016	Shraddha Srimal	15000	10	21.20	Cash	Exercise of ESOP	15000	0.032	0.017
03/09/2016	Susanta Behera	5000	10	21.20	Cash	Exercise of ESOP	5000	0.011	0.006
03/09/2016	Joyanta Bakali	15000	10	21.20	Cash	Exercise of ESOP	15000	0.032	0.017
03/09/2016	Tamal Chakraborty	5000	10	21.20	Cash	Exercise of ESOP	5000	0.011	0.006
30/09/2016	Shraddha Srimal	49900	10	13.74	Cash	Exercise of ESOP	49900	0.070	0.019
15/10/2016	Arohan ESOP TRUST	-8750	10	16.23	Cash	Transfer	-8750	0.014	0.005
15/10/2016	Amit Dutta	8750	10	16.23	Cash	Exercise of ESOP	8750	0.014	0.005
15/11/2016	Manoj Kumar Nambiar	-750328	10	27.04	Cash	Transfer	-750328	2.03	1.053
15/11/2016	Aavishkaar Venture Management Services Private Limited	750328	10	27.04	Cash	Transfer	750328	2.03	1.053
19/01/2017	Right Issue of Shares	2344736	10	56.61	Cash	Issue of Equity Shares	2344736	13.27	10.93
19/01/2017	Right Issue of Shares	7916927	10	56.61	Cash	Issue of Equity Shares	7916927	44.82	36.90
31/03/2017	Maj Invest Financial Inclusion Fund II K/S	11452405	10	84.70	Cash	Issue of Equity Shares	11452405	97.00	85.55
31/03/2017	Arohan ESOP TRUST	-63750	10	16.23	Cash	Transfer	-63750	0.10	0.040
26/01/2017	Madhu Murthy	10000	10	16.23	Cash	Exercise of ESOP	10000	0.02	0.006
20/02/2017	Amit Dutta	8750	10	16.23	Cash	Exercise of ESOP	8750	0.01	0.005
10/03/2017	Madhu Murthy	12500	10	16.23	Cash	Exercise of ESOP	12500	0.02	0.008
17/03/2017	Sayan Debnath	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
17/03/2017	Rajesh Verma	10000	10	16.23	Cash	Exercise of ESOP	10000	0.02	0.006
20/03/2017	Anant Jayant Natu	12500	10	16.23	Cash	Exercise of ESOP	12500	0.02	0.008

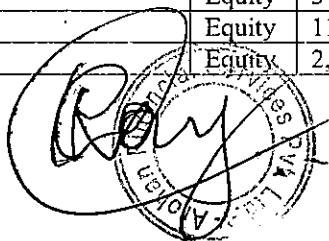
20/03/2017	Sudeep Chakraborty	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
07/04/2017	Arohan ESOP TRUST	-10000	10	16.23	Cash	Transfer	-10000	0.02	0.006
07/04/2017	Ananya Jana	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
04/05/2017	Amit Sinha	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
12/04/2017	Ajay Sharma	150000	10	63	Cash	Transfer	150000	0.95	0.795
12/04/2017	Rajesh Sachdeva	888480	10	63	Cash	Transfer	888480	5.60	4.71
09/06/2017	Arohan ESOP TRUST	-17500	10	24.77	Cash	Transfer	-17500	0.04	0.026
09/06/2017	Prashant Rai	7500	10	24.77	Cash	Exercise of ESOP	7500	0.02	0.011
09/06/2017	Milind Ramchandra Nare	10000	10	24.77	Cash	Exercise of ESOP	10000	0.02	0.015
30/06/2017	Arohan ESOP TRUST	-25000	10	16.23	Cash	Transfer	-25000	0.04	0.016
30/06/2017	Shraddha Srimal	25000	10	16.23	Cash	Transfer	25000	0.04	0.016
17/07/2017	India Financial Inclusion Fund	-3088912	10	70	Cash	Transfer	-3088912	21.62	18.53
17/07/2017	Maj Invest Financial Inclusion Fund II K/S	3088912	10	70	Cash	Transfer	3088912	21.62	18.53

- a) Details of any Acquisition or Amalgamation in the last 1 year: Nil
- b) Details of any Reorganization or Reconstruction in the last 1 year: Nil

6.5.1 DETAILS OF THE SHAREHOLDING OF THE ISSUER AS ON LAST QUARTER END

- a) Shareholding Pattern of the Company as on December 31, 2017 :

Sr. No	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	IntelleCash Microfinance Network Co Pvt Ltd	Equity	18,067,494	21.88%	18,067,494
2	Aavishkaar Goodwell India Microfinance Development Company	Equity	14,152,170	17.14%	3437866
3	Aavishkaar Venture Management Services Private Limited	Equity	8,717,165	10.56%	8,717,165
4	Michael & Susan Dell Foundation	Equity	4,460,980	5.40%	4,460,980
5	Tano India Private Equity Fund II	Equity	20,462,580	24.78%	20,462,580
6	Maj Invest Financial Inclusion Fund II K/S	Equity	14,541,317	17.61%	14,541,317
7	Ajay Sharma	Equity	150,000	0.18%	1,20,000
8	Rajesh Sachdeva	Equity	888,480	1.08%	847080
9	Arohan ESOP Trust	Equity	293,016	0.35%	293,016
10	Vidyanand Jha	Equity	18,954	0.02%	0
11	Swaminathan Aiyar	Equity	677,028	0.82%	0
12	Joyanta Bakali	Equity	37,300	0.05%	0
13	Ayan Chatterjee	Equity	117	0.00%	17
14	Geeta Nambiar	Equity	2,002	0.00%	0



15	Shree Ravindranathan	Equity	1,170	0.00%	1170
16	Nalini Agrawal	Equity	100	0.00%	0
17	Kalpna Bhushan	Equity	1,170	0.00%	1170
18	Shraddha Srimal	Equity	57,500	0.07%	57,500
19	Lokesh Dulalsankar Ray	Equity	7575	0.01%	7575
20	Anant Jayant Natu	Equity	8750	0.01%	8750
21	Milind Ramchandra Nare	Equity	10000	0.01%	10000
22	Prashant Rai	Equity	7500	0.01%	7500

b) List of top 10 equity shareholders of the Company as of December 31, 2017

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Tano India Private Equity Fund II	Equity	20,462,580	24.78%	20,462,580
2	IntelleCash Microfinance Network Co Pvt Ltd	Equity	18,067,494	21.88%	18,067,494
3	Maj Invest Financial Inclusion Fund II K/S	Equity	14,541,317	17.61%	14,541,317
4	Aavishkaar Goodwell India Microfinance Development Company	Equity	14,152,170	17.14%	14,152,170
5	Aavishkaar Venture Management Services Private Limited	Equity	8,717,165	10.56%	8,717,165
6	Michael & Susan Dell Foundation	Equity	4,460,980	5.40%	4,460,980
7	Rajesh Sachdeva	Equity	888,480	1.08%	847080
8	Swaminathan Aiyar	Equity	677,028	0.82%	0
9	Arohan ESOP Trust	Equity	293,016	0.35%	293,016
10	Ajay Sharma	Equity	150,000	0.18%	120000

6.5.2 DETAILS OF THE DIRECTORS OF THE ISSUER

a) Details of the current directors of the Company

S. No.	Name of the Directors	Designation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company
1	Manoj Kumar Narayan Nambiar	Managing Director	18/04/1965	8, GODAVARI SECTOR-3, VASHI NAVI MUMBAI 400703 MH IN	03172919	AAAPN7851Q	3-Oct-12	- AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED - INTELLECASH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED - TRIBETECH PRIVATE LIMITED
2	Anurag	Director	12/02/	SN 15-194-003452		AETPA767	3-Oct-12	JAIN SONS

	Agrawal		1978	AGRAWAL KUNJ SARNATH VARANASI 221007 UP IN	80	6J		- FINLEASE LIMITED - INTELLECAH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED - INTELLECAP ADVISORY SERVICES PRIVATE LIMITED - INTELLECTUAL CAPITAL ADVISORY SERVICES PRIVATE LIMITED - BUTTERFLY EDUFIELDS PRIVATE LIMITED
3	Vineet Chandra Rai	Director	17/06/1971	1705/06,F Wing,Whispering Palm,Exclusive Lokhandwala Complex,Akurli Road,Kandivali(E) Mumbai 400101 MH IN	00606290	ABUPR9400L	24-Oct-13	- JAIN SONS FINLEASE LIMITED - ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED - AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED - AAVISHKAAR VENTURE TRUSTEES PRIVATE LIMITED - INTELLECTUAL CAPITAL ADVISORY SERVICES PRIVATE LIMITED - TRIBETECH PRIVATE LIMITED
4	Sumantra Banerjee	Independent Director	17/06/1971	2C, Alipore Avenue Kolkata 700027 WB IN	00075243	AACPB4480B	29-Apr-14	- NOIDA POWER COMPANY LIMITED - HILLTOP HOLDINGS INDIA LTD - JUBILEE INVESTMENTS AND INDUSTRIES

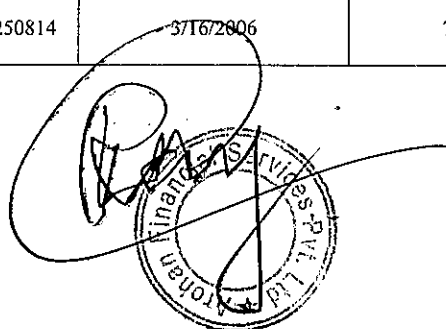
								LIMITED - ANUDIP FOUNDATION FOR SOCIAL WELFARE - MYRIAD VENTURES PRIVATE LIMITED
5	Rajat Mohan Nag	Independent Director	12/09/1948	B-3/602, WORLD SPA WEST-SECTOR 30, GURGAON 122001 HR IN	070838 31	AJOPN251 1Q	31-Jan-15	PARTNERS FOR TRANSPARENCY FOUNDATION INDIA
6	Piyush Goenka	Director	26/07/1977	FLAT NO 1701, 17TH FLOOR, ERA 4, MARATHON ERA, VEER SANTAJIM ARG, OFF GANPATR OAKADA MMARG, LOWERPA REL MUMBAI 400013 MH IN	021178 59	ACZPG334 4E	31-Mar-15	- SAFARI INDUSTRIES (INDIA) LIMITED - JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
7	Kailash Chand Vaid	Nominee Director	29/09/1962	340, N. S. C. BOSE ROAD, TOLLY GARDENS FLAT NO.34, DAKHINA BANSIRO NI KOLKATA 700047 WB IN	073398 50	AAVPV50 79R	21-Dec-15	BANDHAN FINANCIAL SERVICES LIMITED
8	Matangi Gourishankar	Independent Director	27/02/1958	FLAT 71/76, NEW NAVRANG CHSL PEDDAR ROAD, NEAR TELEPHONE EXCHNAG E MUMBAI 400026 MH IN	015181 37	AAGPG89 73J	22-Aug-16	INTELLECASH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED
9	Wilhelms Marthinus Maria Van Der Beek	Director	24/11/1960	512 PALM SPRING LINK ROAD MALAD (WEST) MUMBAI 400064 MH IN	021425 59	NWRH9D8 09	05-Dec-16	INTELLECASH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED
10	Kasper	Nominee	07/03/	Sankt	021425 59	209245835	31-Mar-17	Nil

	Svarrer	Director	1972	Thomas Alle 10, 4.Tv Frederiksber g 1824 DK	75			
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***Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL**

b) Details of change in directors since the last three years

Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
MANOJ KUMAR NARAYAN NAMBIAR	MANAGING DIRECTOR	03172919	10/3/2012	Continuing	Continuing
SUSHMA KESHAVAMURTHY KAUSHIK	NOMINEE DIRECTOR- NON EXECUTIVE	5142705	10/3/2012	11/4/2016	Resigned
ANURAG AGRAWAL	DIRECTOR - EXECUTIVE	02385780	10/3/2012	Continuing	Continuing
VINEET CHANDRA RAI	NOMINEE DIRECTOR- NON EXECUTIVE	00606290	10/24/2013	Continuing	Continuing
SUMANTRA BANERJEE	INDEPENDENT DIRECTOR	00075243	4/29/2014	Continuing	Continuing
RAJAT NAG	INDEPENDENT DIRECTOR	07083831	1/31/2015	Continuing	Continuing
PIYUSH GOENKA	NOMINEE DIRECTOR- NON EXECUTIVE	02117859	4/1/2015	Continuing	Continuing
KAILASH CHAND VAID	NOMINEE DIRECTOR- NON EXECUTIVE	07339850	12/21/2015	Continuing	Continuing
MATANGI GOURISHANKAR	INDEPENDENT DIRECTOR	01518137	8/22/2016	Continuing	Continuing
WILHELMUS MARTINUS MARIA VAN DER BEEK	DIRECTOR - EXECUTIVE	02142559	12/5/2016	Continuing	Continuing
KASPER SVARRER	DIRECTOR	07252475	3/31/2017	Continuing	Continuing
SHUBHANKAR SENGUPTA	DIRECTOR & CEO	00250911	10/1/2012	11/1/2015	Resigned
SANJIB KUMAR JHA	DIRECTOR - NON EXECUTIVE	03409208	10/3/2012	11/1/2015	Resigned
BHASKAR SEN	INDEPENDENT DIRECTOR	03193003	4/29/2014	2/15/2016	Resigned
SATYAM DARMORA	NOMINEE DIRECTOR- NON EXECUTIVE	02203031	10/24/2013	10/31/2014	Resigned
VIDYANAND JHA	DIRECTOR - NON EXECUTIVE	00250814	3/16/2006	7/25/2014	Resigned



6.5.3 DETAILS OF THE AUDITORS OF THE ISSUER

a) Details of the auditor of the Company

Name	Address	Auditor since	Remark
Walker, Chandio & Co	7 th Floor, Block III, White House, Kundan Bagh, Begumpet, Hyderabad- Pin 500016	25 th June, 2013	None

b) Details of change in auditor in the last 3 years

Name	Address	Date of appointment / resignation	Auditor since	Remark
None	None	None	None	None

6.5.4 DETAILS OF THE BORROWINGS OF THE ISSUER, AS ON THE LATEST QUARTER END

a) Details of secured loan facilities as of December 31, 2017

Lender's Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Mn)	Principal Amount Outstanding as on December 31, 2017 (Rs.Mn.)	Primary Security (book debt hypothecation)	Percentage of Cash Collateral
Andhra Bank	Term Loan	100	100	115.00%	2.50%
Axis Bank	Term Loan	168	48	105.00%	5.00%
Axis Bank	Term Loan	450	450	110.00%	0.00%
	Cash Credit	300	50		
Bank Of Baroda	Term Loan	200	56	105.00%	7.50%
Bank Of Baroda	Term Loan	500	365	105.00%	7.50%
Bank of India	Term Loan	400	380	110.00%	5.00%
BNP Paribas	Term Loan	175	65.6	100.00%	5.00%
BNP Paribas	Term Loan	130	113.8	100.00%	5.00%
Capital First	Term Loan	150	108.3	125.00%	0.00%
Capital First	Term Loan	250	250	120.00%	0.00%

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

CITI Bank	revolving credit	330	330	125.00%	0.00%
Corporation Bank	Term Loan	50	25	115.00%	0.00%
DCB Bank	Term Loan	100	13.6	100.00%	0.00%
DCB Bank	Term Loan	100	47.9	100.00%	0.00%
Dena Bank	Term Loan	250	250	111.00%	2.50%
Federal Bank	Term Loan	100	45.6	110.00%	10.00%
FWWB	Term Loan	20	5.8	0.00%	0.00%
HDFC Bank	Term Loan	500	500	105.00%	5.00%
HDFC LTD	Term Loan	250	68.3	110.00%	5.00%
Hero Fincorp	Term Loan	150	41.2	120.00%	0.00%
IDBI Bank	Term Loan	500	128.6	110.00%	0.00%
IDBI Bank	Term Loan	750	385.7	110.00%	0.00%
IDFC Bank	Term Loan	250	4.8	100.00%	5.00%
IDFC Bank	Term Loan	450	64.6	100.00%	2.50%
IFMR Capital	Term Loan	300	179.1	100.00%	0.00%
Indian Bank	Term Loan	200	159.9	125.00%	0.00%
Indian Bank	Term Loan	400	400	125.00%	0.00%
Indian Bank	Cash Credit	100	29.2		
Kotak Mahindra Bank	Term Loan	350	320.8	110.00%	0.00%

A handwritten signature is written over a circular stamp. The stamp contains the text "Fincorp PVT. Ltd." and "FINANCIAL SERVICES" around the perimeter.

Kotak Mahindra Bank	Cash Credit	200	0.9	110.00%	0.00%
L&T Finance	Term Loan	350	175	110.00%	5.00%
Mahindra Finance	Term Loan	750	750	105.00%	0.00%
MUDRA Bank	Term Loan	250	53.5	100.00%	5.00%
NABARD	Term Loan	1000	700	118.00%	0.00%
NABARD	Term Loan	330	330	112.00%	0.00%
Oiko credit	Term Loan	300	75	105.00%	0.00%
Oriental Bank of Commerce	Term Loan	250	250	111.00%	5.00%
RBL Bank	Term Loan	300	192.9	110.00%	5.00%
SBER Bank	Cash Credit	200	200	110.00%	0.00%
SBM	Term Loan	100	40	100.00%	5.00%
SBM	Term Loan	200	183.3	100.00%	5.00%
SIDBI	Term Loan	200	14.8	100.00%	2.50%
SIDBI	Term Loan	250	166.5	100.00%	2.50%
SIDBI	Term Loan	12	8	100.00%	0.00%
SIDBI	Term Loan	125	112.4	100.00%	2.50%
SIDBI	Term Loan	500	500	100.00%	2.50%
South Indian Bank	Term Loan	100	30	100.00%	12.50%
South Indian Bank	Term Loan	100	50	100.00%	12.50%
Standard Chartered Bank	Revolving credit	1250	965	100.00%	0.00%
State Bank Of India	Term Loan	100	24.6	100.00%	10.00%

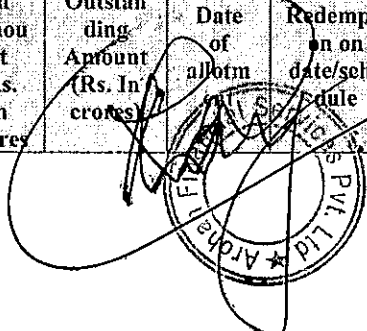
State Bank Of India	Term Loan	350	286.3	100.00%	10.00%
Tata Capital	Term Loan	150	70	110.00%	0.00%
Union Bank Of India	Term Loan	100	13.9	110.00%	20.00%
Union Bank Of India	Term Loan	200	109.1	110.00%	10.00%
				110.00%	10.00%
				110.00%	10.00%
				110.00%	10.00%
United Bank Of India	Term Loan	100	46.7	110.00%	10.00%
Vijaya Bank	Term Loan	50	25	110.00%	10.00%
				110.00%	10.00%
Yes Bank	Term Loan	100	41.7	105.00%	5.00%
Yes Bank	Term Loan	800	600	105.00%	0.00%
NCD-Symbiotics	NCD	290.5	0	110.00%	0.00%
NCD-Blue Orchard	NCD	610	200	110.00%	0.00%
NCD-Blue Orchard	NCD		260	110.00%	0.00%
NCD-ResponsAbility	NCD	330	330	110.00%	0.00%
NCD-Hinduja Leyland	NCD	350	350	110.00%	0.00%
Grand Total		1,827.05	1,214.14		

b) Details of unsecured loan facilities as of December 31, 2017

Lender's Name	Type of Facility	Amount Sanctioned (in Million)	Principal Amount Outstanding (in Million)	Repayment Date/Schedule
Bank Of Maharashtra Tier ii	Sub Ordinate Debt	250	250	14-Oct 2023 (Bullet repayment)
NCD-IFMR	Sub Ordinate Debt	100	100	20-Sep-2022 (Bullet repayment)
Grand Total		350	350	

c) Details of non-convertible debentures as of December 31, 2017

Name	Debenture series	Tenor/period of maturity	Coupon (Rate of interest)	Sanction Amount (Rs. In crores)	Outstanding Amount (Rs. In crores)	Date of allotment	Redemption on date/schedule	Credit rating (current)	secured/unsecured	security
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AAV Sarl	1-581	1595 days	14.75 %	29.05	Rs. 21800/-	02-Jul-14	13-Nov-18	BBB by CARE Ratings	Secured	book debt
Microfinance initiative for Asia (MIFA)	1-200	1461 days	13.91 %	20.00	20.00	27-Jan-16	27-Jan-21	BBB+ by CARE Ratings	Secured	book debt
BlueOrchard Microfinance Fund	1-260	1461 days	13.52 %	26.00	26.00	28-Apr-16	28-Apr-20	BBB+ by CARE Ratings	Secured	book debt
Responsibility	1-333	2192 days	14.30 %	33.00	33.00	18-Dec-15	18-Dec-21	BBB+ by CARE Ratings	Secured	book debt
IFMR Capital	Sub-ordinate debt (series IV)	2192 days	14.25 %	10.00	10.00	20-Sep-16	20-Sep-22	BBB+ by CARE Ratings	unsecured	-
Hinduja Leylend	Series III	2192 days	14.30 %	33.00	33.00	18-Dec-15	18-Dec-21	A- by CARE Ratings	Secured	book debt

d) List of top 10 debenture holders as of December 31, 2017

S. No.	Name of Debenture Holders	Amount (Rs. in Crores)
1	Responsibility	33
2	Hinduja Leylend	33
3	BlueOrchard Microfinance Fund	26
4	Microfinance initiative for Asia (MIFA)	20
5	IFMR Capital	10
6	AAV Sarl	INR 21,788/-

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) - **INR 75,00,000 with IndusInd Bank towards partnership agreement.**

e) Details of Commercial Paper NIL

f) Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2017

Party Name (In case of Facility)/Instru ment Name	Type of Facility/Instru ment	Amount Sanctioned/Is sued (In crores)	Principal Amount Outstand ing	Repaym ent Date/Sc hedule	Credit Rating	Secured/Unse cured	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

g) 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

h) 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

6.5.5 DETAILS OF PROMOTERS OF THE ISSUER, AS ON THE LATEST QUARTER END

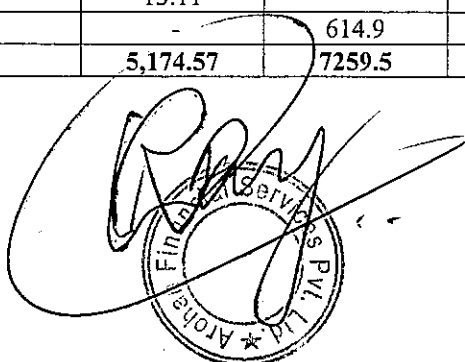
Sr No	Name of the shareholders	Total No of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	IntelleCash Microfinance Network Co Pvt Ltd	18,067,494	18,067,494	21.88	Nil	Nil
2	Aavishkaar Venture Management Services Private Limited	8,717,165	8,717,165	10.56	Nil	Nil

6.5.6 ABRIDGED VERSION OF AUDITED CONSOLIDATED (WHEREVER APPLICABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENTS, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY

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

Profit & Loss Statement (in Rs. Mn)	FY 2014 – 2015	FY 2015 – 2016	FY 2016 – 2017
Income			
Interest on loans	648.83	1134.07	1,821.05
Other Financial Income	63.04	71.41	183
Other Income	33.71	102.17	145.78
Total Income	745.58	1,307.65	2,149.83

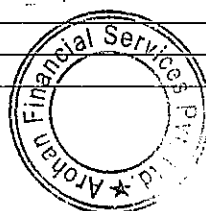
Expenditure/ Cost of Sales	-		
Personnel Expenditure	143.78	230.33	438.48
Provisioning & write off Expenditure	20.99	22.15	80.32
Depreciation and Amortization	3.9	8.63	13.12
General and Administrative Expenditure	63.77	145	219.84
Total Expenditure	232.43	376.33	751.76
	-		
Operating Profit before Interest	513.15	931.32	1,398.06
Interest	355.62	590.92	987.76
Operating profit/ (Loss) after Interest	157.53	340.4	410.30
Net non-operating income/expenses	-	8.63	(11.65)
Profit Before Tax	157.53	331.77	421.95
Income Tax	48.55	115.23	147.34
Net Profit	108.97	216.54	274.62
Equity Dividend paid	-		
Retained Profit	108.97	216.54	274.62
Balance Sheet (in INR mn)			
Liabilities			
Current Liabilities			
Short Term borrowings from banks	3.59	246.75	679.53
Short term borrowings from others	15		85.90
Other Current Liabilities	2,577.57	7.64	3,773.47
Total Current Liabilities	2,596.16	254.39	4,538.90
Total Term Liabilities	1,197.97	5,406.62	4,143.79
Total Liabilities	3,794.13	5,661.00	8,682.68
Ordinary Share Capital	691.65	693.878	822.69
Reserves & Surplus	688.79	904.62	2,589.04
Legal reserves	-		
Other Capital	-		
Net Worth	1,380.44	1598.49	3,411.72
Total Equity & Liabilities	5,174.57	7,259.50	12,094.41
	-		
Assets	-		
Current Assets	-		
Cash and Bank balances	1,204.99	605.75	1,905.35
Gross Receivables	3,645.35	6675.57	8,299.07
Less : Loan Loss Reserve	-	58.6	
Net Receivables	-	6,616.97	8,299.07
Other Current Assets	135.8	237.25	219.56
Total Current Assets	-	6,644.59	10,581.98
Fixed Assets - Gross Block	22.07	32.68	53.54
Depreciation	11.78	18.71	27.56
Fixed Assets - Net Block	10.29	13.97	25.97
Net Intangible Assets	4.96	31.73	23.40
Capital Work in Progress	1.92		24.85
Investments	11.1	530.73	
Other Non-Current assets	147.05	38.47	678.20
Deferred Tax Assets	13.11		34.42
Total Non-Current Assets	-	614.9	1,512.43
Total Assets	5,174.57	7259.5	12,094.41



6.5.7 ABRIDGED VERSION OF LATEST AUDITED / LIMITED REVIEW HALF YEARLY CONSOLIDATED (WHEREVER APPLICABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENTS AND BALANCE SHEET) AND AUDITOR QUALIFICATIONS, IF ANY

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

Profit & Loss Statement (in Rs. Mn)	FY 2016 – 2017
Income	
Interest on loans	1,821.05
Other Financial Income	183
Other Income	145.78
Total Income	2,149.83
Expenditure/ Cost of Sales	
Personnel Expenditure	438.48
Provisioning & write off Expenditure	80.32
Depreciation and Amortization	13.12
General and Administrative Expenditure	219.84
Total Expenditure	751.76
Operating Profit before Interest	1,398.06
Interest	987.76
Operating profit/ (Loss) after Interest	410.30
Net non-operating income/expenses	(11.65)
Profit Before Tax	421.95
Income Tax	147.34
Net Profit	274.62
Equity Dividend paid	
Retained Profit	274.62
Balance Sheet (in INR mn)	
Liabilities	
Current Liabilities	
Short Term borrowings from banks	679.53
Short term borrowings from others	85.90
Other Current Liabilities	3,773.47
Total Current Liabilities	4,538.90
Total Term Liabilities	4,143.79
Total Liabilities	8,682.68
Ordinary Share Capital	822.69
Reserves & Surplus	2,589.04
Legal reserves	
Other Capital	
Net Worth	3,411.72
Total Equity & Liabilities	12,094.41
Assets	
Current Assets	
Cash and Bank balances	1,905.35
Gross Receivables	8,299.07
Less : Loan Loss Reserve	
Net Receivables	8,299.07
Other Current Assets	219.56



Total Current Assets	10,581.98
Fixed Assets - Gross Block	53.54
Depreciation	27.56
Fixed Assets - Net Block	25.97
Net Intangible Assets	23.40
Capital Work in Progress	24.85
Investments	
Other Non-Current assets	678.20
Deferred Tax Assets	34.42
Total Non-Current Assets	1,512.43
Total Assets	12,094.41

- 5.6 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 Information Memorandum, 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.

5.7 **Names of the Debentures Trustees and Consents thereof.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure 2 of this Information Memorandum.

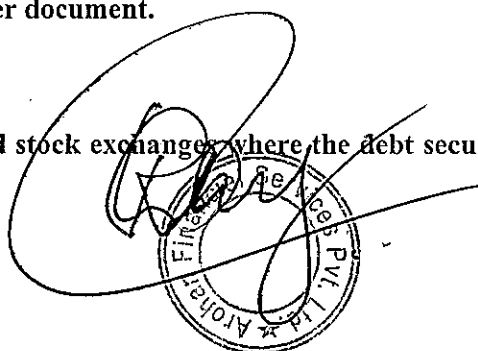
- 5.8 **Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).**

The Rating Agency has assigned a rating of "CARE A-" to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter and rationale from the Rating Agency is provided in Annexure II of this Information Memorandum.

- 5.9 **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.**

None

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



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

5.11 Other details:

(a) DRR 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, 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 and the SEBI Debt Listing Regulations.

(c) Application process:

The application process for the Issue is as provided in SECTION 6: of this Information Memorandum.

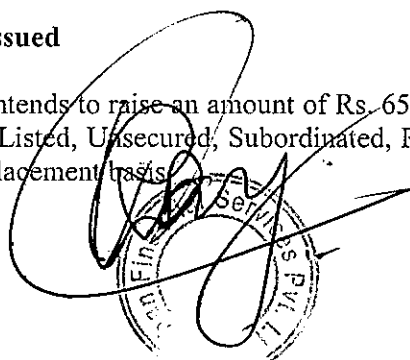
5.12 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

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

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer
2	Board Resolution dated February 16, 2018 authorizing issue of Debentures offered under the terms of this Disclosure Document
3	Shareholder Resolution dated August 29, 2017 authorizing the borrowing by the Company.
4	Shareholder Resolution dated August 29, 2017 authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of our Company for the last three financial years
6	Credit rating letter from the Rating Agency
7	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee
8	Letter for Register and Transfer Agent
9	Certified true copy of the certificate of incorporation of the Company
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the National Securities Depository Limited/CDSL

5.13 Details of Debt Securities Sought to be Issued

Under the purview of current document, the Issuer intends to raise an amount of Rs. 65,00,00,000/- (Rupees Sixty Five Crore Only) by issue of Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable Non-Convertible Debentures, on a private placement basis.



For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 7 of this Information Memorandum.

5.14 Issue Size

The aggregate issue size for the Debentures is of Rs. 65,00,00,000/- (Rupees Sixty Five Crores Only).

5.15 Utilization of the Issue Proceeds

- General corporate purpose for ordinary course of the business of the Issuer
- No part of the proceeds would be utilized directly / indirectly towards capital markets, land acquisition or usages that are restricted for bank financing.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2012-13 dated July 1, 2014:

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

5.16 Issue Details

Security Name	13.5% Arohan Financial Services Private Limited 2025
Issuer	Arohan Financial Services Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures
Seniority	Subordinated
Mode of Issue	Private placement
Eligible Investors	As provided in Clause 7.14 below
Listing	Debentures are to be listed on the WDM of the BSE within a maximum period of 20 (Twenty) calendar days from the Deemed Date of Allotment. In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued from the deemed date of allotment at the Interest Rate till the date of redemption.
Rating of Instrument	'A-' by CARE
Issue Size	Issue of 650 (Six hundred and Fifty) Crores, Unsecured, Subordinated, Rated, Listed, Redeemable,

	Non-convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs.65,00,00,000/- (Rupees Sixty Five Crore only) on a private placement basis (the "Issue")
Option to retain oversubscription	N.A.
Objects of the Issue	To raise subordinated unsecured debt to the extent up to Rs. 65,00,00,000/- (Rupees Sixty Five Crore Only)
Details of the utilization of the Proceeds	The proceeds of the Issuance will be utilized for the following purposes: • General corporate purposes • for the ordinary course of business of the Issuer including repayment/re-financing of existing debt 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.
Coupon Rate	13.50% Coupon for the initial 43 months compounded monthly payable annually 13.25% coupon for the remaining 42 months compounded monthly payable annually
Coupon Payment Frequency	Annually
Coupon payment dates	Annually on dates as specified in Annexure VI
Coupon Type	Fixed Coupon
Day Count Basis	Actual / Actual
Interest on Application Money	Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment
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.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed, 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	85 months from the Deemed Date of Allotment
Redemption Date	April 28, 2025
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture on the Redemption Date plus accrued Coupon if any.
Redemption Premium/ Discount	NIL
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable

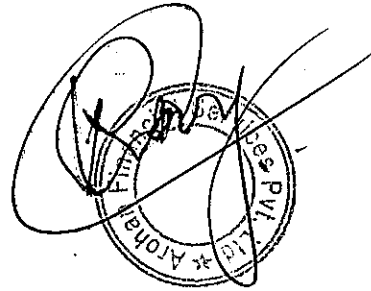
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture
Minimum Application size and in multiples of Debt Securities thereafter	The minimum application size for the Issue shall be 1,00,000 Debentures and in multiples of 10 thereafter.
Issue Timing	Issue Opening Date: March 28, 2018 Issue Closing Date: March 28, 2018 Pay-in Dates: March 28, 2018 Deemed Date of Allotment: March 28, 2018
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depositories	NSDL and/or CDSL
Business Day Convention	A day (other than a Saturday, or a Bank Holiday) on which banks are open for general business in Chennai. • If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. • If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day • If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 3 (Three) Business Days prior to any Due Date.
Security	Unsecured.
Transaction Documents	Shall be as set out in Clause 6.1 below
Conditions Precedent to Disbursement	Customary for a transaction of this nature and as provided for in the Debenture Trust Deed.
Conditions Subsequent to Disbursement	Customary for a transaction of this nature and as provided for in the Debenture Trust Deed.
Events of Default	Customary for a transaction of this nature and as provided for in the Debenture Trust Deed.
Provisions related to Cross Default Clause	As provided for in the Debenture Trust Deed
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).

Financial Covenants	The Company shall at all times until the redemption of all outstanding Debentures: a) maintain Capital Adequacy Ratio of greater 15% (Fifteenpercent) or the capital adequacy prescribed by the RBI, which is higher. For the purpose of the calculations of the Capital Adequacy as mentioned above: - the first loss credit enhancement provided by the originator on securitization shall be reduced from capital funds and the deduction shall be capped at 15% of the outstanding securitized portfolio. - the first loss credit enhancement provided by the originator on loans originated on behalf of other institutions shall be reduced from capital funds without any ceiling. The deduction shall be made 50% from Tier I and 50% from Tier II capital. It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II capital, the aforementioned subordinated debt shall be subject to discounting as provided in the NBFC Master circular. b) maintain a ratio of A:B not greater than 5% (five percent) where A is Gross NPL and B is the Gross Loan Portfolio from April 1, 2018 till September 30, 2018; maintain a ratio of A:B not greater than 2% (five percent) where A is Gross NPL and B is the Gross Loan Portfolio from October 1, 2018; c) Gross NPL netted off for overall Loan Loss Reserves shall not exceed 20% of Tangible Net Worth during the Tenor of the Facility. d) maintain a positive after-tax net income on a quarterly basis
Key Covenant	As provided for in the Schedule IV of the Debenture Trust Deed
Representation and warranties	Customary for a transaction of this nature and as provided for in the Debenture Trust Deed.
Illustration of Bond Cash-flows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law	The Debentures and documentation will be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Chennai/ Kolkata, India.

6.17 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 6: TRANSACTION DOCUMENTS AND KEY TERMS

6.1 Transaction Documents

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

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**"); and
- (c) Such other documents as agreed between the Issuer and the Debenture Trustee.

The Transaction Documents shall be executed on or prior to the Issue Closing Date.

6.2 Representations and Warranties of the Issuer

The representations and warranties of the Issuer shall be as provided for in the Debenture Trust Deed.

6.3 Covenants of the Issuer

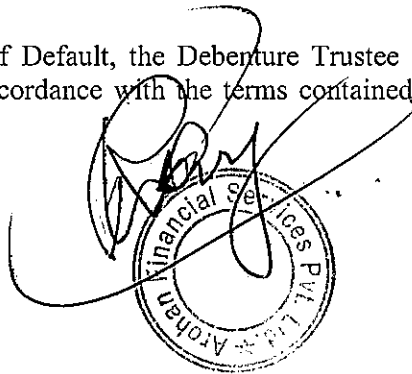
The covenants of the Issuer shall be as provided for in the Debenture Trust Deed.

6.4 Events of Default

The Events of Default shall be as provided for in the Debenture Trust Deed.

6.5 Consequences of Events of Default

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

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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 Information Memorandum, 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.

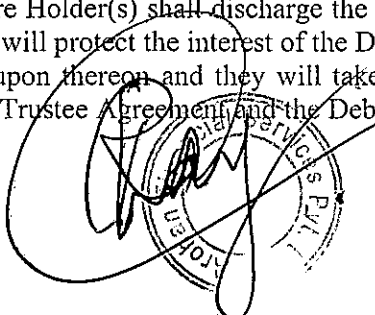
7.2 Debentures held in Dematerialised Form

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 Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed,

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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 Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

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

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

- (a) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

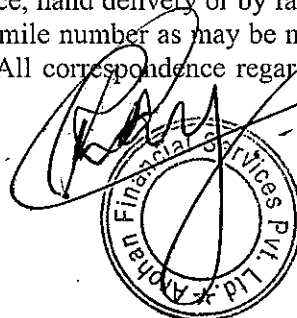
7.7 Right to accept or reject Applications

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, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

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



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

7.9 Issue Procedure

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

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

7.10 Application Procedure

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

7.11 Fictitious Application

All fictitious applications will be rejected.

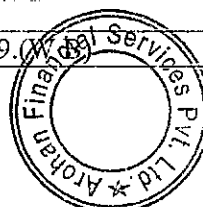
7.12 Basis of Allotment

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

7.13 Payment Instructions

The Application Form should be submitted directly or through the Sole Arranger. The entire amount of Rs. 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.



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**"):

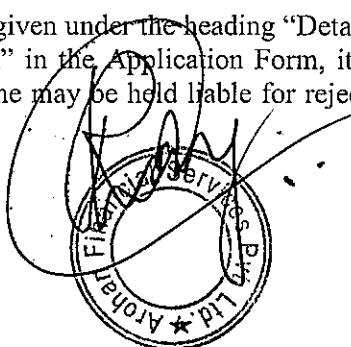
- (a) Mutual Funds
- (b) NBFCs
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Institutional Investors (FIIs)
- (g) Qualified Foreign Investors (QFIs)
- (h) Foreign Portfolio Investors (FPIs)
- (i) Insurance Companies
- (j) Any other person eligible to invest in the Debentures

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

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

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

7.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and/or NSDL for issue and holding of Debenture 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

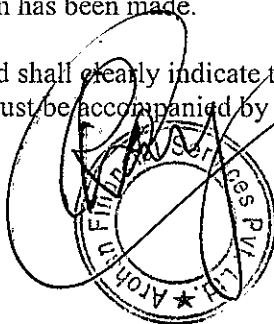
A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the potential Investor and the tax exemption certificate/document of the potential Investor, if any, must be lodged along with 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 application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

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



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

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) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

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 cheque/EFT/RTGS.

7.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative (being the liquidator) of the Debenture Holder appointed by a competent court. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

7.23 Mode of Payment

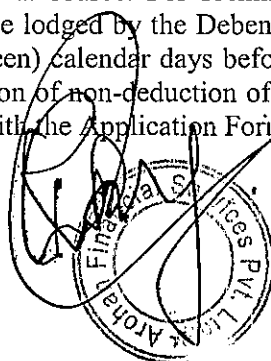
All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

7.24 Effect of Holidays

In case any Coupon Payment Date falls on a day which is not a Business Day, the payment to be made on such Coupon Payment Date shall be made on the next Business Day. When the Redemption Date falls on a day which is not a Business Day, the payment to be made of such Redemption Date 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 Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.



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

7.26 Letters of Allotment

The Debentures will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment.

7.27 Deemed Date of Allotment

All the benefits under the Debentures, will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is March 28, 2018 by which date the Investors would be intimated of allotment.

7.28 Record Date

The Record Date will be 3 (three) calendar days prior to any Due Date.

7.29 Refunds

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

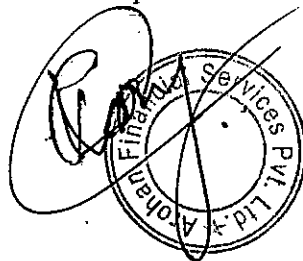
In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to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

7.30 Interest on Application Money

Interest at the Interest Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment.

7.31 PAN Number

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



7.32 Payment on Redemption

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

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

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

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



SECTION 8: DECLARATION

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

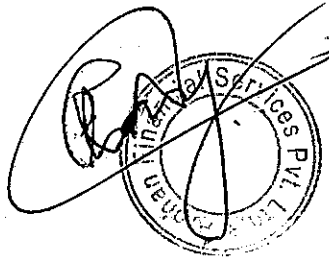
For Arohan Financial Services Private Limited

Authorised Signatory

Name:

Title:

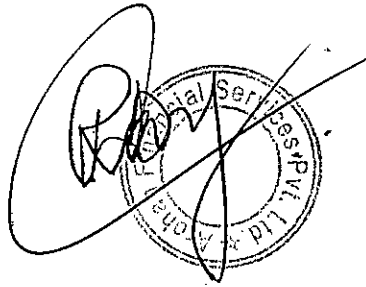
Date:



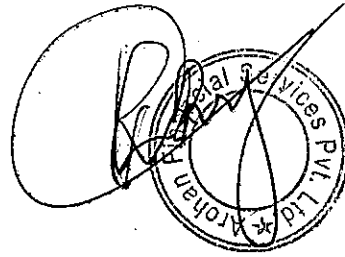
(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I: TERM SHEET

As provided in 5.1616 above.



ANNEXURE II: RATING LETTER



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

March 23, 2018

Confidential

Dear Sir,

Credit rating for proposed unsecured sub-ordinated Tier II NCD

Please refer to your request for rating of proposed Unsecured Sub-ordinated Tier II NCD issue aggregating Rs.100 crore of your company.

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

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Unsecured Subordinated Tier II NCD	100.00 (Rs. One hundred crore only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned

- The terms and conditions of the issue are furnished in the enclosed Annexure I.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter (i.e. March 23, 2018).
- In case there is a change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
- Kindly arrange to submit us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
- 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-2. 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

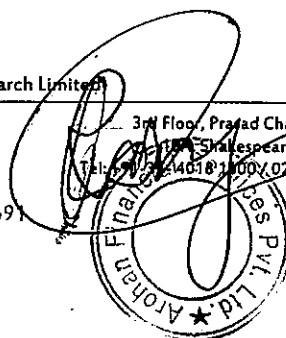
¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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Email: care@careratings.com • www.careratings.com

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Tel.: +91-33-4018 1600/02 • Fax: +91-33-4018 1603

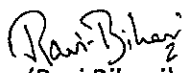


to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by March 26, 2018, we will proceed on the basis that you have no comments to offer.

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 bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. 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.

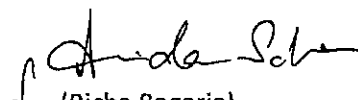
Thanking you,
Yours faithfully,


(Ravi Bihani)

Deputy Manager

ravi.bihani@careratings.com

Encl.: As above


(Richa Bagaria)
Senior Manager

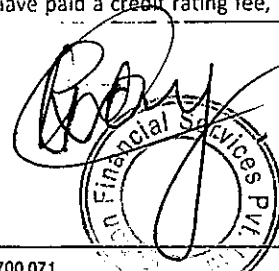
richa.jain@careratings.com

Disclaimer

CARE's 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. 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,

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based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is 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.

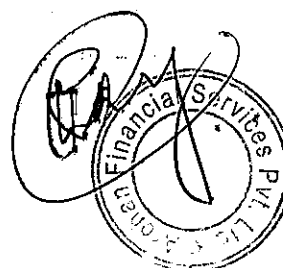
Annexure I

Proposed Unsecured Sub-ordinated Tier II NCD

Particulars	Proposed
Instrument	NCD (sub-debt)
Size (Rs. Cr)	100.00
Interest (%)	13.50% monthly payable for first 43 months and 13.25% for the remaining 42 months compounded monthly payable annually
Tenure	85 months
Redemption	Bullet repayment at the end of 85 months from the deemed date of allotment
Purpose	MFI lending activities

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Annexure II
Press Release

Instrument	Amount (Rs. crore)	Rating ²	Rating Action
Long-Term Bank Facility (Term Loan)	1808.01 (enhanced from 1249.76)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Long-Term Bank Facility (Fund Based)	105.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Total	1913.01 (Rupees One thousand Nine Hundred and Thirteen crore and One lakh only)		
Un-secured Subordinated debt issue (Series VI)	10.00 (Rs. Ten crore only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Proposed Unsecured Subordinated Tier II NCD	100.00 (Rs. One Hundred crore only)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the sub-ordinated debt takes into account consistently comfortable capital adequacy ratio (CAR), satisfactory financial as well as operating performance of Arohan Financial Services Private Limited (Arohan).

The rating further draws comfort from experienced promoters & board of directors with professional management team, adequate risk management system with adequate IT infrastructure, diversified funding profile. However, the above ratings continue to be constrained by moderate geographical concentration of portfolio base, low seasoning of loan portfolio, moderate asset quality in 9MFY18, inherent risks in the micro finance industry including unsecured lending, regulatory risks & socio-political intervention like farm loan waiver across various States in India and operational risks related to cash based transaction.

The ability of the company to increase its scale of operation while maintaining healthy CAR and improvement in the collection efficiency going forward, and tapping new States to further reduce the geographical concentration risk remains the key rating sensitivities. The ability to derive envisaged benefits out of the proposed merger with Intellecash would also remain one of the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

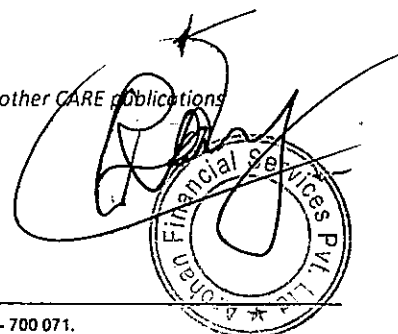
Experienced promoters

In Sep 2012, the Intellegroup (promoted by Mr. Vineet Rai) acquired around 56% stake in Arohan from previous promoters i.e. Mr. Subhankar Sengupta and other institutional investors. Mr. Vineet Rai has around two decades of experience in early stage investing, small business incubation and microfinance business.

²Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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Experienced and professional management team

Arohan's board comprises ten members, having rich experience in the banking and financial sectors. The board is headed by Mr. Manoj Nambiar (Managing Director), having 28 years of experience in consumer finance & retail banking. Mr. Nambiar is also well supported by a team of experienced professionals.

Adequate risk management system with adequate IT infrastructure

The company has changed its IT software from Omni to FIS in July 2017. Arohan has taken steps for migrating to 'CBS' through 'Profile' and detailed 'process flows' for working through different menus to timely meet the 'customer service' efficiently and on-time to a growing customer base.

The data of all the connected outlets/branches are located at one centralised location, the 'MIS' functions can be undertaken more effectively, without much dependency on service outlets/branches, for the required quantum of data.

Diversified funding profile

Arohan has a diversified funding profile as it has raised equity from various institutional investors (Rs.27 crore in FY14, Rs.22.1 crore in FY15, Rs.60.0 crore in FY16, Rs.189 crore (includes tier II capital from Bank of Maharashtra and IFMR) in FY17 and debt from private & public sectors banks, NBFCs and institutional investors in the past.

Consistent growth in scale of operations

In the last 3 years (FY15-FY17), AUM of Arohan has grown at a CAGR of around 63% and stood at Rs.1,013.8 crore as on March 31, 2017 vis-à-vis Rs.667.56 crore as on March 31, 2016. The increase in AUM was on account of increase in own portfolio as well as increase in securitized and business correspondence (BC) portfolio. AUM of Arohan further increased to Rs.1,589.5 crore as on December 31, 2017, duly supported by mix of equity infusion and availment of debt.

Improvement in financial performance in FY17; though moderation in ROTA witnessed in 9MFY18

Interest income of Arohan increased by around 61% in FY17 vis-à-vis FY16 on the back of increase in interest income on account of higher disbursement from Arohan during FY16 & FY17 (increase in loan portfolio was around 55% in FY17 vis-à-vis FY16). Arohan's NIM remained stable at 8.60% in FY17 vis-à-vis 8.70% in FY16.

Operating expense/Avg. total assets slightly increased from 5.70% in FY16 to 6.93% in FY17 mainly due to significant increase in branches (from 180 as on March 31, 2016 to 272 as on March 31, 2017). Overall, ROTA deteriorated from 3.47% in FY16 to 2.83% in FY17 due to lower NIM coupled with higher provisioning cost.

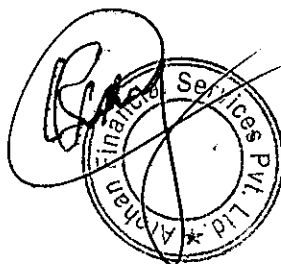
PAR> 30 days improved from 5.12% as on March 31, 2017 to 4.02% as on December 31, 2017, however, PAR> 90 days deteriorated from 0.52% as on March 31, 2017 to 3.35% as on December 31, 2017. Increase in PAR>90 can be attributed to deterioration in asset quality in few of the branches in West Bengal, Bihar & Jharkhand due to demonetization. However, on account of RBI dispensation clause, the same appeared to be on the lower side as on March 31, 2017 due to deferment of classification of loans as sub-standard (PAR > 30 days and PAR > 90 days were 6.06% and 2.59% respectively as on March 31, 2017 without considering dispensation benefit).

In 9MFY18, Arohan reported total income of Rs.210 crore (Rs.215 crore in FY17). ROTA declined in 9MFY18 vis-à-vis FY17 due to higher provisioning for NPA, which impacted the profitability.

Stable CAR

Arohan's CAR improved from 25.02% as on March 31, 2016 to 39.35% as on March 31, 2017 on account of infusion of equity of around Rs.154 crore, which was utilized in 9MFY18, resulting in CAR of 24.53% as on December 31, 2017.

REY



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Key Rating Weaknesses

Low seasoning of loan portfolio

As on March 31, 2017, 44% of the Loan AUM (47% of Loan AUM as on March 31, 2016) is in first loan cycle indicating the lack of seasoning of loan portfolio to an extent.

Moderate geographic concentration of portfolio

Arohan's portfolio concentration in West Bengal area has reduced from 48% (of AUM as on March 31, 2016) to 39% (of AUM as on March 31, 2017). The same has further reduced to around 35% of AUM as on December 31, 2017.

In order to diversify its portfolio base, the company has started its operations in Uttar Pradesh and Tripura in FY18.

Increasing competition

Arohan faces competition from large MFIs who have better and cheaper access to resources and enjoy the economies of large scale operations. Further, banks and NBFC's are also trying to increase their direct presence in rural areas to meet the priority sector lending requirement.

Industry outlook

On account of various events post demonetisation, collection efficiency of the MFIs has deteriorated. This has impacted the asset quality of the MFIs leading to increase in credit costs. It is expected that the loss on account of this event is likely to be in the range of 5%-10% of the total loan portfolio of different MFIs.

Given the current situation and any further deterioration in the situation from hereon, the profitability of the MFIs are expected to take a severe hit in FY18 on account of higher provisioning costs. Overall FY18 is expected to be a challenging year for the sector with growth expected to moderate on the back of demonetisation as the MFIs will primarily concentrate on overhaul of entire operations to minimise future losses. CARE expects the portfolio growth to be around 25 to 30% y-o-y in FY18 as compared to 50-60% y-o-y growth achieved in the past few years. However given the market potential, the sector is likely to continue its high growth post normalisation of situation with MFIs continuing to attract funds and improving operational efficiencies to maintain profitability.

Analytical approach:

Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Financial ratios – Financial sector

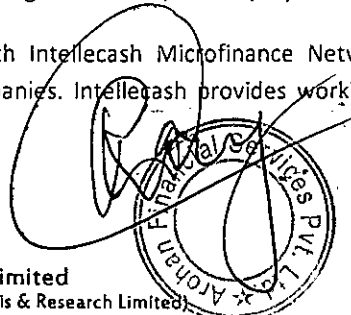
Rating Methodology – Non Banking Financial Companies

About the Company

Arohan, incorporated in 2006, is a (Non-Deposit taking) Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI) registered with Reserve Bank of India (RBI). Arohan is engaged in the business of micro lending to individual women borrowers and operates on a mix of both Joint Liability Group (JLG) model and Centre Liability lending model. It manages an asset under management (AUM) of Rs.1,536 crore as on December 31, 2017 (Rs.1013.8 crore as on March 31, 2017) through a network of 435 branches in 156 districts spanning across nine States viz. West Bengal (35% of AUM), Assam (23%), Bihar (15%), Jharkhand (5%), Odisha (17%), Meghalaya (0.3%), Tripura (1%), Uttar Pradesh (2%) and Chhattisgarh (1%). The company has total workforce strength of over 2,400 employees as on March 31, 2017.

The company has recently announced its merger with Intellegash Microfinance Network Company Private Limited (Intellegash), one of its associate companies. Intellegash provides working capital and

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business loans to MSME in the range of Rs.2.5 lakh-Rs.75 lakh. Intellectcash had an outstanding AUM of Rs.8.5 crore as on March 31, 2016.

Financials of Arohan

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	130.77	214.98
PAT	21.65	27.46
Interest coverage (times)	1.58	1.43
Total Assets	731.28	1207.10
Net NPA (%)	0.06	0.00
ROTA (%)	3.47	2.83

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Ms Richa Bagaria

Tel: (033) 4018 1653

Mobile: +91 9903470650

Email: richa.jain@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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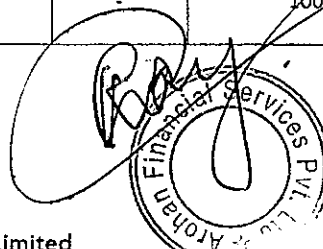
CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE 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.

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Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Proposed Unsecured Subordinated Tier II NCD	-	-	-	100.00	CARE A-; Stable

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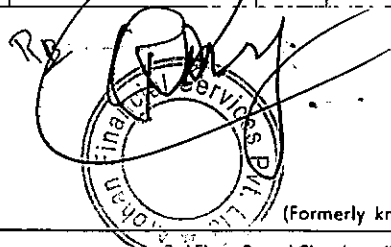


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Annexure-2: Rating History of last three years

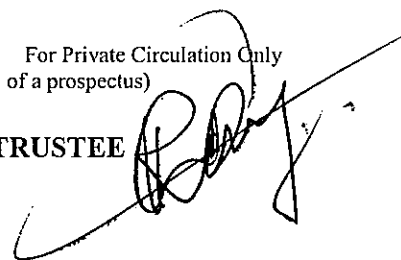
Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	1808.01	CARE A-; Stable	1)CARE A-; Stable (01-Mar-18) 2)CARE A-; Stable (21-Aug-17) 3)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17) 2)CARE A- (13-Jul-16)	1)CARE BBB+ (30-Jun-15)	1)CARE BBB (25-Jun-14)
2.	Debentures-Non Convertible Debentures	LT	33.00	CARE A-; Stable	1)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17) 2)CARE A- (13-Jul-16) 3)CARE BBB+ (06-May-16)	1)CARE BBB+ (18-Jan-16) 2)CARE BBB+ (30-Jun-15)	1)CARE BBB (25-Jun-14)
3.	Debentures-Non Convertible Debentures	LT	44.05	CARE A-; Stable	1)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17) 2)CARE A- (13-Jul-16)	1)CARE BBB+ (30-Jun-15)	-
4.	Debentures-Non Convertible Debentures	LT	20.00	CARE A-; Stable	1)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17) 2)CARE A- (13-Jul-16) 3)CARE BBB+ (06-May-16)	1)CARE BBB+ (18-Jan-16)	-
5.	Debentures-Non Convertible Debentures	LT	26.00	CARE A-; Stable	1)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17) 2)CARE A- (13-Jul-16) 3)CARE BBB+ (06-May-16)	-	-
6.	Debt-Subordinate Debt	LT	10.00	CARE A-; Stable	1)CARE BBB+; Stable (13-Jul-17)	1)CARE BBB+; Stable (16-Jan-17) 2)CARE BBB+ (26-Sep-16)	-	-
7.	Debentures-Non Convertible Debentures	LT	35.00	CARE A-; Stable	1)CARE A-; Stable (13-Jul-17)	1)CARE A-; Stable (16-Jan-17)	-	-
8.	Fund-based - LT-Cash Credit	LT	105.00	CARE A-; Stable	1)CARE A-; Stable (01-Mar-18)			-



CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.), 10A, Shakespeare Sarani, Kolkatta - 700 071.
Tel: +91-33- 4018 1600 / 02 • Fax: +91-33- 4018 1603 • www.careratings.com • CIN-L67190MH1993PLC071691

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

A large, stylized handwritten signature in black ink, appearing to be 'Raj', is written over the right side of the page, partially overlapping the 'For Private Circulation Only' text.

CL/MUM/17-18/DEB/659

March 20, 2018

Arohan Financial Services Private Limited
4th Floor, PTI Building, DP-9, DP Block,
Sector V, Salt Lake, Kolkata – 700091

Dear Sir,

**Consent to act as Trustee for Unsecured, Listed, Rated, Redeemable,
Non- Convertible Debentures aggregating upto Rs. 100 Crores
to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Unsecured, Listed, Rated, Redeemable non-convertible debentures aggregating upto Rs.100 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

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

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

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

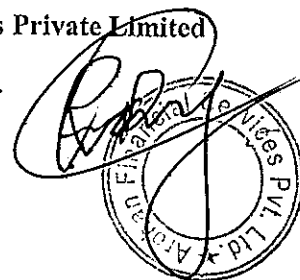
For Catalyst Trusteeship Limited

We accept the above terms.

For Arohan Financial Services Private Limited




Authorized Signatory



Authorized Signatory

CATALYST TRUSTEESHIP LIMITED (FORMERLY CDT TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Office No. 63 - 67, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 213, 2nd floor, Navrang House, 21 Kasturba Gandhi Marg, New Delhi- 110 001. Tel. 011 43029101.
CIN No. U74999PN1997PLC110262 Email dt@catltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



CL/MUM/17-18/DEB/659

March 20, 2018

Arohan Financial Services Private Limited
4th Floor, PTI Building, DP-9, DP Block,
Sector V, Salt Lake, Kolkata – 700091

Dear Sir,

**Consent to act as Trustee for Unsecured, Listed, Rated, Redeemable,
Non-Convertible Debentures aggregating upto Rs. 100 Crores
to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Unsecured, listed, Rated, Redeemable non-convertible debentures aggregating upto 100 crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance fees: Rs.40,000/- plus applicable taxes (One Time Non Refundable payable on appointment as trustee).

Service Charges: Rs.40,000/- . plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31st March 2018.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and reimbursed on actual basis.

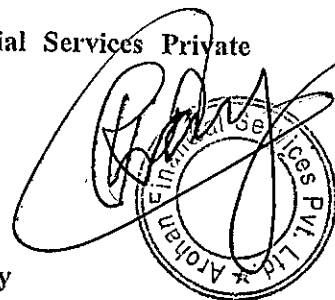
Yours faithfully,

For Catalyst Trusteeship Limited



Authorized Signatory

For Arohan Financial Services Private Limited



Authorized Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.



ANNEXURE IV: APPLICATION FORM

Arohan Financial Services Private Limited

A private limited company incorporated under the Companies Act, 1956*

Date of Incorporation: September 27, 1991

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

Telephone No.: 033 4015 6000

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

Issue of 650 (Six Hundred and Fifty) Rated, Listed, Unsecured, Subordinated, Redeemable, Taxable Non-Convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs.65,00,00,000/- (Rupees Sixty 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 Private Limited

Dated _____

Total Amount Enclosed

(In Figures) Rs. _/- (In words) _Only

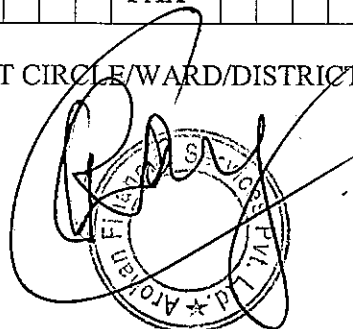
APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN																			
PHONE																			
FAX																			

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)	

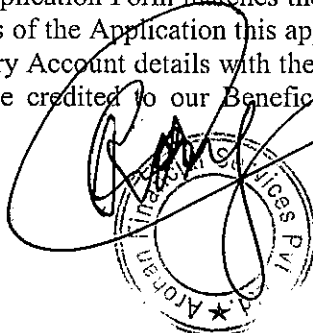
Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/otherpermitted mechanisms)	
---	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

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

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the 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 Information Memorandum 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 _____
<i>(Note : Cheque and Drafts are subject to realisation)</i>	

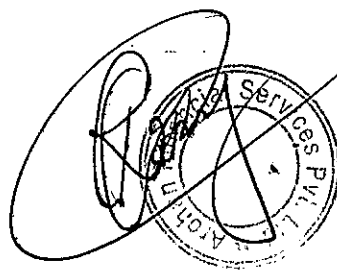
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ACKNOWLEDGMENT SLIP

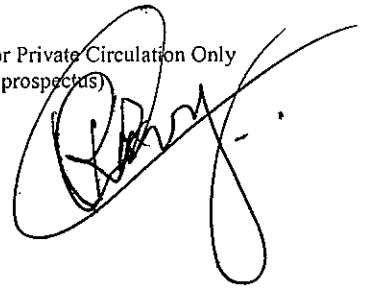
(To be filled in by Applicant) SERIAL NO.	1	-	-	-	-	-	-	-	-
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Received from _____

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



ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

A large, stylized handwritten signature in black ink, located in the upper right corner of the page. The signature is written over the text "For Private Circulation Only".

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
10 C Hungerford Street
5th Floor, Kolkata 700017
India

T +91 33 4050 8000

Independent Auditor's Report

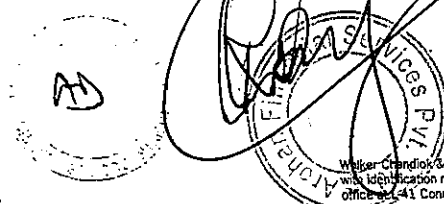
To the Members of Arohan Financial Services Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Arohan Financial Services Private Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability
with identification number AAC-2085 and its registered
office at 41 Connaught Circus, New Delhi, 110001, India

Walker Chandio & Co LLP

Auditor's Responsibility

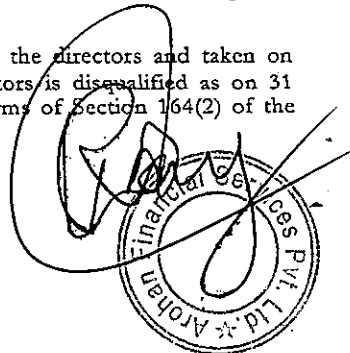
3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards of Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;



Walker Chandiok & Co LLP

- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19 May 2017 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 32 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the Company has provided disclosures in Note 35 to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the Company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between Specified Bank Notes and other denomination notes of 'Permitted receipts', 'Non-permitted receipts', 'Permitted payments' and 'Amount deposited in banks' as disclosed under such Note.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Anamitra Das

per Anamitra Das

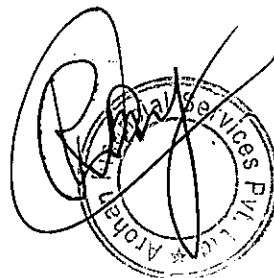
Partner

Membership No.: 062191



Place: Kolkata

Date: 19 May 2017



Walker Chandio & Co LLP

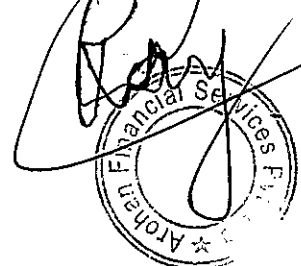
Annexure A to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ lacs)	Amount Paid Under Protest (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	22.89	11.52	AY 2014-15	Commissioner of Income Tax (Appeals).



Walker Chandiok & Co LLP

Annexure A to the Independent Auditors' Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2017

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the terms loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.
- (x) According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year, except for six incidents of frauds comprising of cash embezzlement by the employees of the Company for ₹ 2,453,434 and two instances of fake disbursement for ₹ 1,114,214 respectively aggregating to ₹ 3,567,648. The Company has recovered ₹ 1,780,326 and ₹ 814,769 respectively in respect of these incidents of fraud from the insurance company/ employees and the outstanding balance of ₹ 972,553 (net of recovery as above), as at 31 March 2017 has been provided for.
- (xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the company did not make preferential allotment of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Anamitra Das

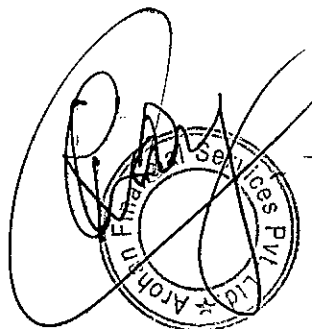
per Anamitra Das

Partner

Membership No.: 062191

Place: Kolkata

Date: 19 May 2017



Walker Chandio & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Arohan Financial Services Private Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as that date.

Management's Responsibility for Internal Financial Controls

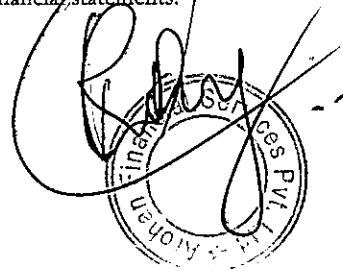
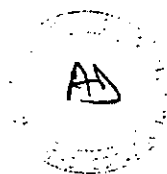
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2017

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker ChandioK & Co LLP

For Walker ChandioK & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Anamitra Das

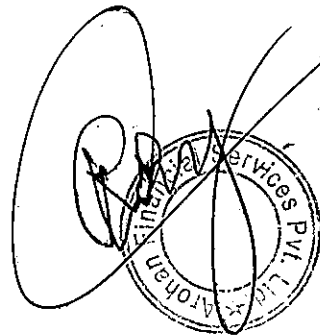
per Anamitra Das

Partner

Membership No.: 062191

Place: Kolkata

Date: 19 May 2017



**AROHAN**

AN INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited
Balance Sheet as at 31 March 2017
(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	822,688,680	693,878,900
Reserves and surplus	5	2,589,035,837	908,382,248
		<u>3,411,724,517</u>	<u>1,602,261,148</u>
Non-current liabilities			
Long-term borrowings	6	4,087,064,840	2,355,698,000
Other long-term liabilities	7	6,513,336	7,799,962
Long-term provisions	8	50,207,334	38,683,966
		<u>4,143,785,510</u>	<u>2,402,181,928</u>
Current liabilities			
Short-term borrowings	6	679,530,000	417,801,000
Trade payables		-	-
Payable to micro, small and medium enterprises		-	-
Others	9	1,512,042	243,177
Other current liabilities	10	3,773,470,914	2,868,061,442
Short-term provisions	8	84,386,321	27,553,953
		<u>4,538,899,277</u>	<u>3,313,659,572</u>
Total		<u><u>12,094,409,304</u></u>	<u><u>7,318,102,648</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	25,972,265	13,973,455
Intangible assets	13	23,401,367	5,350,117
Intangible asset under development		24,847,000	4,061,281
Non-current investments	14	500,000	500,000
Deferred tax assets (net)	15	34,424,871	22,320,020
Loan to customers	16	703,367,774	1,068,949,273
Long-term loans and advances	17	21,713,939	27,414,281
Other non-current assets	18	678,200,913	323,138,578
		<u>1,512,428,129</u>	<u>1,463,707,005</u>
Current assets			
Cash and bank balances	19	1,905,351,356	826,271,387
Loan to customers	16	8,299,066,989	4,791,246,467
Short-term loans and advances	17	158,003,935	61,189,561
Other current assets	20	219,558,895	173,688,218
		<u>10,581,981,175</u>	<u>5,852,395,643</u>
Total		<u><u>12,094,409,304</u></u>	<u><u>7,318,102,648</u></u>

Notes 1 to 40 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

Walker Chandish & Co LLP
For Walker Chandish & Co LLP
Chartered Accountants

Anamitra Das
per Anamitra Das
Partner

For and on behalf of Board of Directors of
Arohan Financial Services Private Limited

Munish Kumar Nambiar
Managing Director

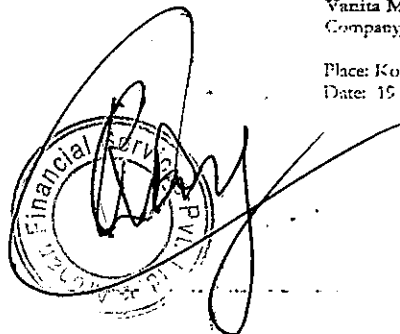
Anurag Agrawal
Director

Vanita Mundhra
Vanita Mundhra
Company Secretary

Milind Nare
Milind Nare
Chief Financial Officer

Place: Kolkata
Date: 19 May 2017

Place: Kolkata
Date: 15 May 2017



Arohan Financial Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2017
 (All amounts in ₹ unless otherwise stated)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Revenue from operations	21	2,104,477,722	1,280,847,481
Other income	22	45,355,223	26,805,086
Total revenue		2,149,832,945	1,307,652,567
Expenses			
Employee benefits expense	23	438,483,602	230,333,955
Finance costs	24	987,759,693	590,923,479
Depreciation and amortisation expense	25	13,118,623	8,631,555
Provision for loan portfolio	26	65,054,687	22,148,310
Other expenses	27	235,103,181	123,845,229
Total expenses		1,739,519,786	975,882,528
Profit before tax		410,313,159	331,770,039
Tax expense			
Current tax expense		147,335,809	124,346,659
Tax expense for earlier periods		455,157	91,106
Deferred tax benefit		(12,104,851)	(9,209,514)
Profit for the year		274,627,044	216,541,788
Earnings per equity share [EPES]	33		
Nominal value per share		10	10
Basic		4.86	4.19
Diluted		4.86	3.55

Notes 1 to 40 form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandiose to us
 For Walker Chandiose & Co LLP
 Chartered Accountants

Anamitra Das
 per Anamitra Das
 Partner

For and on behalf of Board of Directors of
 Arohan Financial Services Private Limited

Manoj Kumar Nambiar
 Managing Director

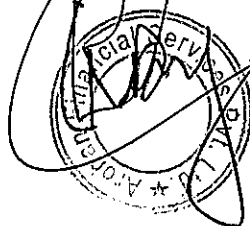
Vanita Mundira
 Vanita Mundira
 Company Secretary

Anurag Agrawal
 Director

Milind Nare
 Milind Nare
 Chief Financial Officer

Place: Kolkata
 Date: 19 May 2017

Place: Kolkata
 Date: 19 May 2017



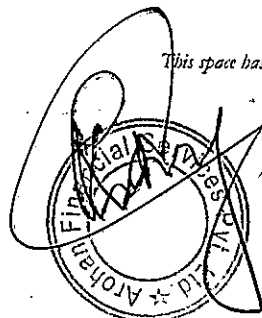
**AROHAN**

AN INTELLECAP ENTERPRISE

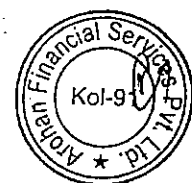
Arohan Financial Services Private Limited
Cash Flow Statement for the year ended 31 March 2017
(All amounts in ₹ unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities		
Profit before tax	410,313,159	331,770,039
Adjustments:		
Depreciation and amortisation	13,118,623	8,631,555
Provision for non-performing assets	65,054,687	22,148,310
Finance costs	987,759,693	590,923,479
Loan assets written-off	15,260,694	6,643,832
Liabilities written back	(264,827)	(1,280,091)
Employee stock option compensation	145,101	776,281
Gain on sale of investments	(23,815,410)	(8,668,132)
Gain on sale of assets	(29,693)	(12,000)
Interest on Income tax refund	(69,212)	-
Operating profit before working capital changes	1,467,472,815	950,933,273
Increase in loans to customers	(3,157,499,717)	(2,221,486,990)
(Increase) / decrease in long-term loans and advances	8,331,700	(10,274,235)
Increase in short-term loans and advances	(96,970,249)	(14,155,061)
Increase in other non-current assets	(350,353,724)	(166,790,470)
Increase in other current assets	(43,670,262)	(80,564,480)
Increase/(decrease) in trade payables	1,268,865	(4,560,608)
Increase/(decrease) in long-term provisions	(8,750,402)	3,982,038
Increase/(decrease) in short-term provisions	12,051,450	(324,560)
Increase in other liabilities	108,021,006	143,247,478
Cash used in operating activities	(2,060,098,518)	(1,399,993,615)
Income taxes paid (net of refunds)	(150,353,112)	(125,537,166)
Net cash used in operating activities (A)	(2,210,451,630)	(1,525,530,781)
Cash flows from investing activities		
Purchase of fixed assets (net of subsidy received)	(20,938,340)	(11,027,847)
Purchase of intangible assets (net of subsidy received)	(18,224,646)	(3,817,586)
Proceeds from sale of tangible fixed assets	85,283	12,000
Additions to Intangible asset under development	(24,847,000)	-
Purchase of investments	(6,073,400,001)	(3,539,420,000)
Proceeds from sale of investments	6,097,215,411	3,558,688,133
Decrease/(increase) in other bank balances and restricted deposits	166,485,710	(37,230,304)
Net cash generated from/(used in) investing activities (B)	126,376,411	(32,795,604)

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AN INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited
Cash Flow Statement for the year ended 31 March 2017
 (All amounts in ₹ unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from financing activities		
Proceeds from issue of equity shares	1,558,017,442	4,346,589
Share issue expenses	(23,170,342)	-
Proceeds from long-term borrowings	6,085,499,990	4,874,000,000
Repayment of long-term borrowings	(3,606,749,654)	(3,321,565,441)
Proceeds from short-term borrowings	691,531,000	418,801,000
Repayment of short-term borrowings	(429,802,000)	(226,001,000)
Interest and finance charges paid	(945,685,539)	(603,613,595)
Proceeds from/ (repayments of) working capital facilities (net)	-	(3,588,971)
Net cash generated from financing activities (C)	3,329,640,898	1,142,378,582
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,245,565,679	(415,947,803)
Cash and cash equivalents as at the beginning of the year	581,256,808	997,204,611
Cash and cash equivalents as at the end of the year (refer note 1)	1,826,822,487	581,256,808
Note 1:		
Cash and bank balances as per Note 19	1,905,351,356	826,271,387
Less: Other bank balances	78,528,869	245,014,579
Cash and cash equivalents considered for cash flow	1,826,822,487	581,256,808
Note 2: Interest received on loans to customers	1,764,792,874	1,106,630,759
Note 3: Interest received on fixed deposits	38,321,435	32,869,962

This is the Cash Flow Statement referred to in our report of even date.

Walker Chandioh & Co LLP
 For Walker Chandioh & Co LLP
 Chartered Accountants
Anamitra Das
 per Anamitra Das -
 Partner

For and on behalf of Board of Directors of
 Arohan Financial Services Private Limited

Mahesh Kumar Nambiar
 Managing Director

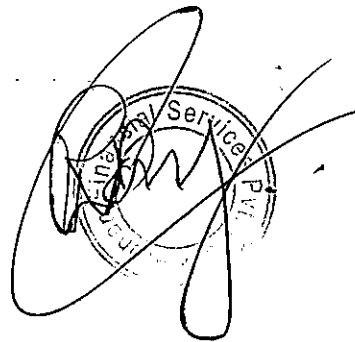
Anurag Agrawal
 Director

Vanita Mundhra
 Vanita Mundhra
 Company Secretary

Milind Nare
 Chief Financial Officer

Place: Kolkata
 Date: 19 May 2017

Place: Kolkata
 Date: 19 May 2017



Arohan Financial Services Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

1. Company overview

Arohan Financial Services Private Limited ("the Company" or "Arohan") is a company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company has been registered as a Non-Banking Financial Company ("NBFC") with the Reserve Bank of India ("the RBI") from 8 July 2009 and pursuant to the notification issued by the RBI for classification of NBFCs as Non-Banking Finance Company – Micro Finance Institutions ("NBFC-MFI"), the Company's application for registration as an NBFC-MFI was approved by the RBI on 10 January 2014.

As a NBFC-MFI with headquarters in Kolkata, Arohan operates in the low income states such as Bihar, Jharkhand, Odisha, Assam, West Bengal, Chattisgarh and Meghalaya. The Company is primarily engaged in providing the livelihood promotion services such as micro-credit to socio-economically disadvantaged customers un-reached by the formal banking systems and other allied services such as distribution of insurance and pension products.

2. Basis of preparation

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI") and guidelines issued by the RBI as applicable to non-banking financial company. The financial statements have been prepared on an accrual basis except for interest on non-performing loan assets which are accounted on cash basis based on the guidelines issued by the RBI from time to time. The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

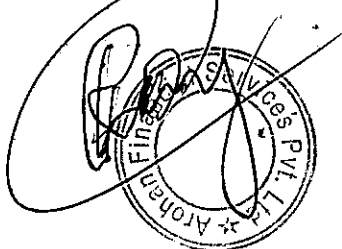
3. Significant accounting policies**a. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, future obligations under employee retirement benefit plans, income taxes, classification of assets and liabilities into current and non-current and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b. Fixed assets

Fixed assets are stated at cost, net of accumulated depreciation/amortization. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use.



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

c. Depreciation/Amortization

Depreciation on all tangible assets is provided on straight line method over the useful lives of assets prescribed under Schedule II of the Act. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to 1st April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act.

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer software expenditure is amortized over a period of 5 years on straight line method.

d. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

e. Investments

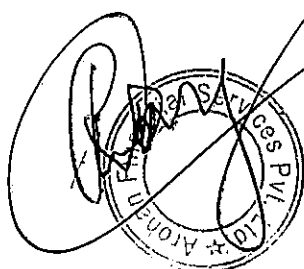
Investments that are readily realizable and intended to be held for not more than a year and current maturities of long-term investments are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- Interest on loans given is recognized on accrual basis at agreed interest rates, except in the case of Non-Performing Assets ("NPAs"), where interest is recognized upon realization, in accordance with the RBI guidelines.
- Loan processing fees income is recognized over the period of the loan on a straight-line basis.
- Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.
- Securitization and direct assignment of loan portfolio

Profit / premium arising at the time of securitisation of loan portfolio is amortised over the life of the underlying loan portfolio / securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the statement of profit and loss account net of any losses when collected in cash.



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

▪ Acquisition of Assets through Direct Assignment of Cash Flows

Premium paid on purchased loans are amortized on straight line basis over the tenure of the loans. Discount on the purchased loans are accounted for on proportionate basis over the tenure of the loans in accordance with the repayment schedule.

- Grants are recognized where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

g. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

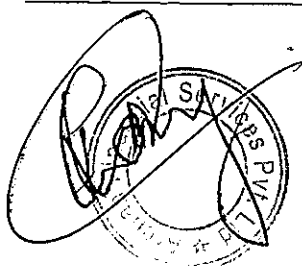
Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

h. Asset classification and provisioning

Loan asset classification of the Company is given in the table below:

Particulars	Criteria
Standard asset	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business
Non-performing assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more



Arohan Financial Services Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

Provision for loan portfolio

Provision for loan portfolio has been made in accordance with the provisioning requirements for NBFC-MFI issued by the RBI vide its circular no. DNBR.(PD) CC.No.008/03.10.119/2016-17 dated 1 September 2016, which requires the minimum provision to be higher of (i) 1% of the outstanding loan portfolio or (ii) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

Loans write off

Under the following circumstances, loans are written off:

- Under extra-ordinary circumstances such as the death of a customer who has not received life insurance coverage or his/her spouse and/or any other incident where in the opinion of the management, the loan amount is not recoverable.
- Where the balance outstanding at the time of closure of loan is insignificant and in the opinion of the management, the cost of collection is not economically viable.
- All loss assets as identified in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

i. Earning per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j. Employee benefits*Provident fund*

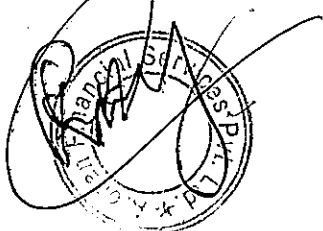
The Company contributes to the provident fund maintained by the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the eligible employees. There are no other obligations of the Company other than the contributions made to the funds.

Gratuity and Leave encashment

Gratuity and Leave encashment is a post-employment defined benefit plan. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the period in which such gains or losses arises.

Employee state insurance

The Company contributes to the Employees State Insurance Fund maintained by the state authorities, in accordance with Employees State Insurance Act, 1948. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense on accrual basis. There are no other obligations of the Company other than the contributions made to the funds.



Arohan Financial Services Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

Employee share based payments

Recognition, measurement and disclosures relating to employee stock compensation is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments ("the Guidance Note"), issued by the ICAI. The Company uses intrinsic value method for the purposes of measurement of compensation cost and the fair value method for the purposes of additional disclosures in the financial statements. An independent valuer determines the intrinsic value of the underlying shares as on the date of the grant and compensation expenses, where applicable, are recognized as deferred employee stock compensation and is charged to statement of profit and loss using the straight line method over the vesting period.

k. Provision and contingent liabilities

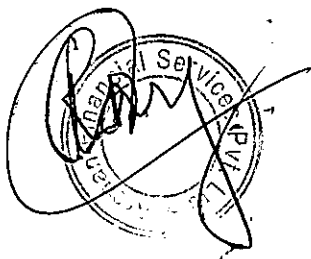
- A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.
- Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

l. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair values of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized. A leased asset is depreciated on a straight line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight-line basis over the lease term.

m. Transactions in foreign currency

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.



Arohan Financial Services Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

n. Borrowing costs

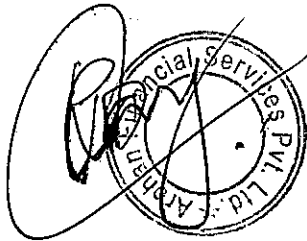
Interest on borrowing is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortized over the tenure of the respective borrowings. Unamortized borrowing cost remaining, if any, is fully expensed off as and when the related borrowing is prepaid /cancelled.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible into known amounts of cash to be cash equivalents.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



(a) Reconciliation of Equity Share Capital

8. Reconciliation of Preference Share Capital

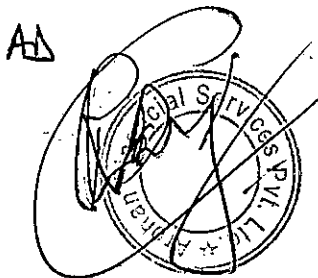
Further, the Company has issued 11,452,405 equity shares of ₹10 each, on private placement basis to My Invest Financial Inclusion Fund II at a price of ₹84.70 (including premium of ₹74.70), aggregating to ₹969,999,922.

Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. During the current financial year the company has not proposed/declared any dividend.

	31 March 2017		31 March 2016	
	Number	%	Number	%
Equity shares of ₹ 10 each				
Intellicash Microfinance Network Company Private Limited	18,067,494	21.88%	18,067,494	34.90%
Aavishkar Goodwill India Microfinance Development Company II Limited	14,152,170	17.14%	14,152,170	27.34%
Tano India Private Equity Fund II	20,462,580	24.78%	9,176,660	17.73%
India Financial Inclusion Fund	3,086,912	3.74%	3,086,912	5.97%
Michael & Susan Dell Foundation	4,460,980	5.40%	4,460,980	8.62%
Maj Invest Financial Inclusion Fund II	11,452,445	13.87%	-	-
Aavishkar Venture Management Services Private Limited	8,171,615	9.95%	706,040	1.45%

	31 March 2017		31 March 2016	
	Number	%	Number	%
Preference shares of ₹20 each				
Two India Private Equity Fund II	-	-	9,176,660	100.00%

Preference shares of ₹20 each
Tata India Private Equity Fund II



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

(g) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to exercise of options under ESOP 2013 Scheme, 531,500 (31 March 2016: 89,100) equity shares of ₹10 each, has been allotted during the period of five years immediately preceding the reporting date wherein part consideration was received in the form of employee services.

(h) Shares reserved for issue under options and contracts/commitments

For details of shares reserved for issue on exercise of options granted under the ESOP, refer note (i) below regarding terms of the options granted.

(i) Employee stock option scheme ("ESOP")

Employee stock option plans

Arohan ESOP Trust ("ESOP Trust") was formed on 19 March 2010 to promote participation of the eligible employees of Arohan Financial Services Private Limited (then known as Arohan Financial Services Limited) in the ownership and growth of the Company and to confer on them certain welfare benefits through the implementation of the welfare schemes. Pursuant to the shareholder's approval in the meeting held on 15 March 2010 (empowering the Board to take any further decisions with regard to ESOP schemes), the Board is authorized to issue employee stock options, that are exercisable into not more than 825,000 equity shares of the Company to eligible employees and has extended interest free loan to ESOP Trust under the Scheme to provide financial assistance to its employees to purchase equity shares of the Company under such the Scheme. The loan is repayable by ESOP Trust under a back to back arrangement by ESOP Trust with the employees of the Company. ESOP Trust has repaid the existing loan during current financial year on 08 August 2016 and 10 March 2017. The year-end balance for the total loan granted is ₹ Nil (31 March 2016: ₹9,680,000).

	ESOP 2013	ESOP 2013 (Revised)	ESOP 2015	ESOP 2016
Date of Grant	May 28, 2013	July 1, 2014	August 4, 2015	May 20, 2016
Date of Board approval	April 23, 2013	April 29, 2014	August 3, 2016	May 20, 2017
Number of options granted		400,000	237,500	925,000
Method of settlement	Equity	Equity	Equity	Equity
Vesting period	On date of Grant - 8% End of 4 months- 6% End of 21 months- 7%	12 months from date of Grant	12 months from date of Grant	12 months from date of Grant

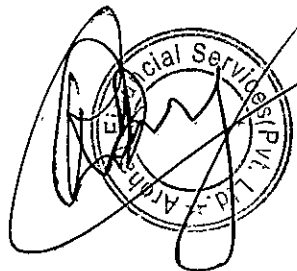
The exercise price and remaining contractual life of the ESOP Plans are as follows:

	31 March 2017	31 March 2016
ESOP 2013		
Exercise price	13.74	13.74
Weighted average remaining contractual life (in years)	0.16	0.16
ESOP 2013 (Revised)		
Exercise price	16.23	16.23
Weighted average remaining contractual life (in years)	0.25	1.25
ESOP 2015		
Exercise price	21.20	21.20
Weighted average remaining contractual life (in years)	2.34	3.34
ESOP 2016		
Exercise price	24.77	-
Weighted average remaining contractual life (in years)	0.30	-

Effect of the employee share-based payment plans on the statement of profit and loss and on the financial position:

	31 March 2017	31 March 2016
Deferred employee stock compensation opening balance	3,765,592	3,226,145
Add: Accrued/Lapsed employee stock compensation	(10,775)	93,489
Less: Deferred employee stock compensation exercised	(3,267,110)	(400,442)
Deferred employee stock compensation closing balance	488,707	3,765,592

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

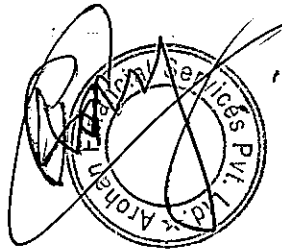
(All amounts in ₹ unless otherwise stated)

Reconciliation of stock options:

	ESOP 2013	ESOP 2013 (Revised)	ESOP 2015	ESOP 2016
Outstanding as at 1 April 2012	-	-	-	-
Exercised and vested	-	-	-	-
Forfeited	-	-	-	-
Outstanding as at 31 March 2013	-	-	-	-
Stock option issued during the year	400,000	-	-	-
Exercised and vested	4,100	-	-	-
Forfeited	-	-	-	-
Outstanding as at 31 March 2014	395,900	-	-	-
Stock option issued during the year	-	237,500	-	-
Exercised and vested	30,000	-	-	-
Forfeited	91,000	50,000	-	-
Outstanding as at 31 March 2015	274,900	232,500	-	-
Stock option issued during the year	-	-	92,500	-
Exercised and vested	45,000	10,000	-	-
Forfeited/lapsed	15,000	47,500	-	-
Outstanding as at 31 March 2016	214,900	175,000	92,500	-
Stock option issued during the year	-	-	-	17,500
Exercised and vested	214,900	135,000	92,500	-
Forfeited/lapsed	-	5,000	-	-
Outstanding as at 31 March 2017	-	35,000	-	17,500

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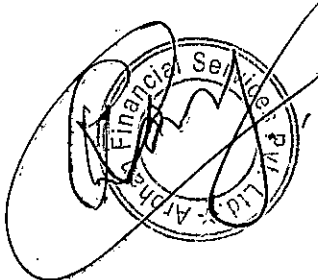
Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

5 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
i) Securities premium reserve		
Balance at the beginning of the year	645,367,059	642,852,290
Add : Premium on shares issued during the year	1,429,207,662	2,114,519
Add: Transferred from shares options outstanding account	3,267,110	400,250
Less: Share issue expense	(23,170,342)	-
Balance at the end of the year	2,054,671,489	645,367,059
ii) Share options outstanding account		
Balance at the beginning of the year	3,763,344	3,226,145
Add / (Less): Options granted/lapsed during the year	(10,775)	937,449
Less : Transferred to securities premium reserve account	(3,267,110)	(400,250)
Balance at the end of the year	485,459	3,763,344
iii) Statutory reserve		
Balance at the beginning of the year	77,303,005	33,994,647
Add : Transfer from Statement of Profit and Loss (*)	54,925,409	43,308,358
Balance at the end of the year	132,228,414	77,303,005
(*) In accordance with the provision of Section 45-IG of the Reserve Bank of India Act, 1934, the Company has transferred 20% of the profit after tax for the year to the Statutory Reserve.		
iv) General reserve		
Balance at the beginning of the year	8,027,029	8,027,029
Less : Adjustment made during the year	-	-
Balance at the end of the year	8,027,029	8,027,029
v) Surplus in the statement of profit and loss		
Balance at the beginning of the year	173,921,811	690,590
Add : Profit for the year	274,627,044	216,541,788
Less : Transfer to statutory reserve	(54,925,409)	(43,308,358)
Less : Provision for preference dividend (including distribution tax)	-	(2,209)
Balance at the end of the year	393,623,446	173,921,811
	2,589,035,837	908,382,248

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Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

6 Borrowings

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Secured				
Debtentures	1,580,499,976	-	1,278,832,982	-
Term loans				
From Banks	3,676,845,401	517,500,000	2,431,149,355	400,000,000
From Others	1,848,657,053	162,030,000	1,267,269,736	-
	<u>7,106,002,410</u>	<u>679,530,000</u>	<u>4,977,252,073</u>	<u>400,000,000</u>
Unsecured				
Term loan from a bank	250,000,000	-	-	-
Debtentures	100,000,000	-	-	-
Loans and advances from related parties	-	-	-	10,800,000
Other loans and advances	-	-	-	7,001,000
	<u>350,000,000</u>	<u>-</u>	<u>-</u>	<u>17,801,000</u>
Total borrowings	<u>7,456,002,410</u>	<u>679,530,000</u>	<u>4,977,252,073</u>	<u>417,801,000</u>
Less: Current maturities of long-term borrowings (refer details below and Note 10)	3,368,937,570	-	2,621,554,073	-
Total	<u>4,087,064,840</u>	<u>679,530,000</u>	<u>2,355,698,000</u>	<u>417,801,000</u>
Current maturities of long-term borrowings				
Term loans				
From Banks	2,304,569,481	-	1,628,127,033	-
From Others	914,368,089	-	683,094,090	-
Debtentures	150,000,000	-	308,332,950	-
	<u>3,368,937,570</u>	<u>-</u>	<u>2,621,554,073</u>	<u>-</u>

a) Terms and conditions of debtentures issued

Name of Debenture Holder	Amount borrowed (₹)	Rate of Interest	Repayment Schedule
Microfinance Initiative for Asia (MIFA) Debt Fund (Face Value ₹1,000,000)	150,000,000	15.00%	Bullet Repayment in July 2017
AAV Sari (Symbiotics) (Face Value ₹500,000)	290,500,000	14.75%	Repayable in 2 tranches in May 2018 and November 2018
Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF (Face Value ₹1,000,000)	200,000,000	14.30%	Bullet Repayment in January 2021
UTI International Wealth Creator 4 (Face Value ₹1,000,000)	330,000,000	14.30%	Bullet Repayment in December 2021
Blue Orchard Microfinance Fund for Asia (MIFA) Debt Fund SA, SICAV-SIF (Face Value ₹1,000,000)	260,000,000	14.30%	Bullet Repayment in April 2020
IFMR Capital Finance Private Limited (Face Value ₹2,000,000)	100,000,000	14.25%	Bullet Repayment in September 2022
Hinduja Leyland Finance Limited (Face Value ₹1,000,000)	350,000,000	11.49%	Bullet Repayment in December 2019

b) Terms and conditions of long-term borrowings and nature of security

Term loans from Banks and Others are secured by way of hypothecation of the outstanding loan portfolio, in addition to the fixed deposits being held as collateral security. The term loan carries interest in the range of 8% per annum to 16% per annum (31 March 2016: 10.50% to 16.25% per annum). Non-convertible debtentures issued by the Company are secured by way of first ranking exclusive hypothecation / charge on the owned portfolio of the Company to the extent of security cover ratio of 1:1 in favour of the trustees for the benefit of the debenture holders.

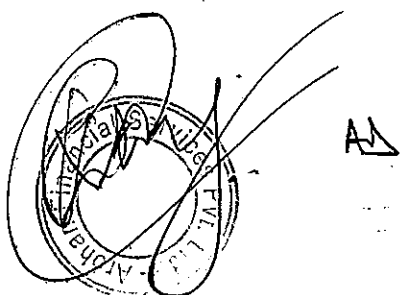
c) Terms and conditions of short-term borrowings and nature of security

Short-term secured loans from banks and financial institutions are secured by hypothecation of loan portfolio, in addition to the fixed deposits being held as collateral security and are repayable in 12 or less than 12 monthly installments. Unsecured loans are repayable on demand. The short term loans carry interest in the range of 4.00% per annum to 15.40% per annum (31 March 2016: 11.60% to 15.00% per annum).

d) Repayment details of long-term borrowings

Up to 1 year
Over 1 to 3 years
Over 3 years

	As at 31 March 2017	As at 31 March 2016
Up to 1 year	3,368,937,570	2,621,554,073
Over 1 to 3 years	2,867,064,840	1,825,698,000
Over 3 years	1,220,000,000	530,000,000
	<u>7,456,002,410</u>	<u>4,977,252,073</u>




Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

7 Other long-term liabilities

	As at 31 March 2017	As at 31 March 2016
Unamortised loan processing fees on loans given	6,513,336	7,799,962
	<u>6,513,336</u>	<u>7,799,962</u>

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Contingent provision against standard assets	6,707,356	84,316,991	10,446,617	27,550,567
Provision for non-performing assets	32,632,176	-	20,604,651	-
Provision for employee benefits	10,867,802	69,329	7,632,698	1,177
Provision for preference dividend (including tax on dividend distribution)	-	-	-	2,209
	<u>50,207,334</u>	<u>84,386,321</u>	<u>38,683,966</u>	<u>27,553,953</u>

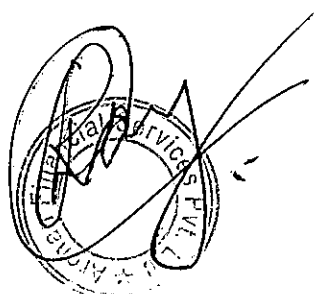
- 9 There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') pertaining to micro or small enterprises. For the year ended 31 March 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED Act.

10 Other current liabilities

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings	3,368,937,570	2,621,554,073
Interest accrued but not due on borrowings	104,090,902	55,107,732
Statutory dues	13,102,047	8,581,375
Payable on account of securitisation	100,204,292	74,229,110
Unrealised gain on loan transfer transactions	35,024,002	29,179,530
Employee dues	29,278,962	10,502,921
Unamortised loan processing fees on loans given	72,245,858	43,825,160
Liabilities for expenses	13,445,164	5,769,051
Unamortised profit on buyout transactions	1,142,832	2,771,415
Other payables	35,999,285	16,541,075
	<u>3,773,470,914</u>	<u>2,868,061,442</u>

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Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

11 Employee benefits

Defined Benefit Plans - As per Actuarial Valuations as on 31 March 2017 and recognised in the financial statements in respect of Employee Benefit Schemes (gratuity):

	As at 31 March 2017	As at 31 March 2016
i) Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	8,185,618	5,852,178
Service cost	2,235,472	1,312,534
Interest cost	515,715	341,672
Actuarial loss (net)	5,598,292	3,841,793
Benefits paid	(3,478,371)	(3,162,559)
Projected benefit obligation at the end of the year	13,056,726	8,185,618
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	1,083,981	2,610,949
Expected return on plan assets	167,395	142,113
Actuarial gain	131,074	-
Employer contributions	5,493,290	1,493,478
Benefits paid	(3,478,371)	(3,162,559)
Fair value of plan assets at the end of the year	3,399,969	1,083,981
iii) Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	(13,056,726)	(8,185,618)
Funded status of the plans	3,399,969	1,083,981
Liability recognised in the balance sheet	(9,656,757)	(7,101,637)
iv) Components of Employer Expenses		
Service cost	2,235,472	1,312,534
Interest cost	515,715	341,672
Expected returns on plan assets	(167,395)	(142,113)
Recognized net actuarial loss	5,466,618	3,841,793
Total expense recognised in the Statement of Profit and Loss	8,050,410	5,353,886

Net Gratuity expenses have been recognised in "Contribution to Provident and other funds" under Note 23.

v) Key actuarial assumptions

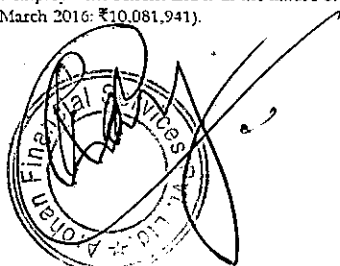
Discount rate	7.21%	8.00%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%
Withdrawal rates	1st 5 years of service 52% more than 5 years of service 1%	

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards. The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant facts.

vi) Table for 5 years actuarial valuation disclosures for Gratuity

Particulars	2017	2016	2015	2014	2013
Defined benefit obligation	13,056,726	8,185,618	5,852,178	1,946,856	2,426,658
Plan assets	3,399,969	1,083,981	2,610,949	2,899,026	3,467,718
(Surplus)/Deficit	9,656,757	7,101,637	3,241,229	-952,170	-1,041,060
Net actuarial loss/(gain) recognized during the current year	5,466,618	3,841,793	3,357,191	-627,771	-189,700

vii) The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is ₹27,897,837 (31 March 2016: ₹10,081,941).



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Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

12 Tangible assets

	Furniture and fixtures	Computer and accessories	Office equipment	Total
Gross block				
Balance as at 1 April 2015	9,644,699	10,507,641	1,918,157	22,070,497
Additions	2,149,953	8,136,191	741,703	11,027,847
Disposals	-	(414,284)	-	(414,284)
Balance as at 31 March 2016	11,794,652	18,229,548	2,659,860	32,684,060
Additions	5,146,361	21,808,457	1,479,906	28,434,724
Disposals	-	(85,152)	-	(85,152)
Subsidy Received	-	(7,496,378)	-	(7,496,378)
Balance as at 31 March 2017	16,941,013	32,456,475	4,139,766	53,537,254
Accumulated depreciation				
Up to 31 March 2015	5,151,664	5,956,710	669,756	11,778,130
Depreciation charge	2,761,854	3,856,975	727,930	7,346,759
Reversal on disposal of assets	-	(414,284)	-	(414,284)
Up to 31 March 2016	7,913,518	9,399,401	1,397,686	18,710,605
Depreciation charge	900,405	7,081,501	902,040	8,885,946
Reversal on disposal of assets	-	(29,562)	-	(29,562)
Up to 31 March 2017	8,813,923	16,451,340	2,299,726	27,564,989
Net block				
Balance as at 31 March 2016	3,881,134	8,830,147	1,262,174	13,973,455
Balance as at 31 March 2017	8,127,090	16,005,135	1,840,040	25,972,265

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

13 Intangible assets

	Computer Software	Total
Gross block		
Balance as at 1 April 2015	13,472,045	13,472,045
Additions	1,671,305	1,671,305
Balance as at 31 March 2016	15,143,350	15,143,350
Additions	22,636,941	22,636,941
Subsidy Received	(351,014)	(351,014)
Balance as at 31 March 2017	37,429,277	37,429,277
Accumulated amortisation		
Up to 31 March 2015	8,508,437	8,508,437
Amortization charge	1,284,796	1,284,796
Up to 31 March 2016	9,793,233	9,793,233
Amortization charge	4,234,677	4,234,677
Up to 31 March 2017	14,027,910	14,027,910
Net block		
Balance as at 31 March 2016	5,350,117	5,350,117
Balance as at 31 March 2017	23,401,367	23,401,367

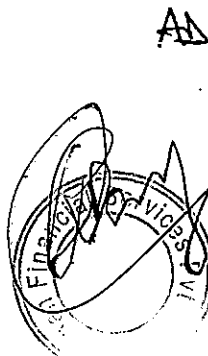
14 Investments

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
In equity instruments (non-trade, unquoted)				
50,000 (31 March 2016: 50,000) equity shares of ₹10 each fully paid in Alpha Micro Finance Consultant Private Limited	500,000	-	500,000	-
Aggregate amount of unquoted investments	500,000	-	500,000	-

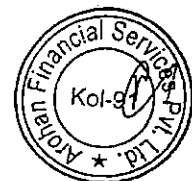
15 Deferred tax assets (net)

	As at 31 March 2017	As at 31 March 2016
On account of provision for bad and doubtful loans	55,040,532	20,280,925
On disallowances of expenses allowed on payment basis	3,785,122	2,641,931
On written down value of fixed assets	(4,400,783)	(602,834)
Deferred tax assets (net)	34,424,871	22,320,020

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

16 Loan to customers

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
Unsecured, considered good*	670,735,598	8,299,066,989	1,044,661,739	4,791,246,467
Unsecured, considered doubtful**	32,632,176	-	24,287,534	-
	703,367,774	8,299,066,989	1,068,949,273	4,791,246,467

* Represents standard assets classified in accordance with the RBI Prudential Norms [Refer note 16(a)]

** Represents non-performing assets classified in accordance with the RBI Prudential Norms [Refer note 16(a)]

16(a) Loans to customers

Loans to customers has been classified in accordance with the directives issued by the RBI Prudential Norms, read with accounting policy mentioned in note 5(g). The necessary provisions as per the RBI norms have been made. The details are as follows:

As at 31 March 2017

Asset classification	Classification criteria (#)	Amount Outstanding	Provision
Standard assets	0-90 days	8,969,802,587	91,024,347
Non-performing assets	above 90 days	32,632,176	32,632,176
Total		9,002,434,763	123,656,523

As at 31 March 2016

Asset classification	Classification criteria (#)	Amount Outstanding	Provision
Standard assets	0-90 days	5,835,908,206	37,997,184
Non-performing assets	above 90 days	24,287,534	20,604,651
Total		5,860,195,740	58,601,835

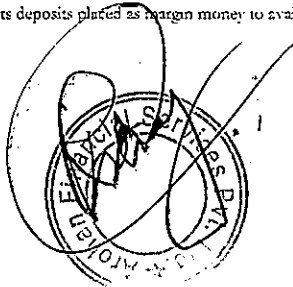
(=) Consequent upon withdrawal of the legal tender status of the existing ₹500 and ₹1,000 notes (SBN) with effect from 8 November 2016 and pursuant to RBI Circular no. DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and Circular No. DBR.No.BP.BC.49/21.04.048/2016-17 dated 28 December 2016, a special dispensation has been given for deferment of classification of loans as sub-standard. The asset classification of loans to customers has been made by the Company in accordance with the aforesaid Circulars.

17 Loans and advances

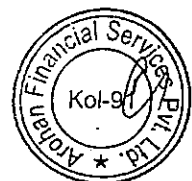
(Unsecured, considered good)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Security deposits	4,173,673	7,065,447	3,093,866	3,209,950
Loans to a body corporate	10,565,772	89,434,228	-	-
Deposit with financial institutions [Refer (a) below]	-	-	10,000,000	15,041,818
Advance tax (net of provision)	6,974,494	-	4,343,136	-
Loan to Arohan ESOP Trust	-	-	9,600,000	-
Portfolio buyout receivables	-	-	-	14,634,750
Advances to employees	-	2,659,101	-	3,317,995
Balances with government authorities	-	-	375,279	-
Other receivables	-	35,181,200	-	9,117,663
Advances recoverable on behalf of business correspondent arrangements	-	23,663,959	-	15,867,385
	21,713,939	158,003,935	27,414,281	61,189,561

(a) Represents deposits placed as margin money to avail term loans from financial institutions



AS



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

18 Other non-current assets

(Unsecured, considered good)

	As at 31 March 2017	As at 31 March 2016
Bank deposits with maturity of more than 12 months [Refer (a) below]	600,438,101	284,666,602
Interest accrued on fixed deposits	45,573,439	10,991,214
Unamortised loan processing charges on borrowed funds	32,189,373	27,480,762
	<u>678,200,913</u>	<u>323,138,578</u>

(a) Includes deposits aggregating to ₹ 524,127,484 (31 March 2016: ₹ 262,383,208) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with asset assignments/securitisation transactions.

19 Cash and bank balances

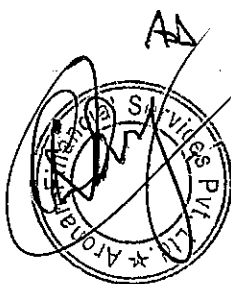
	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
Balances with banks		
- in current accounts	1,370,562,187	530,771,935
- in deposit account (with original maturity upto 3 months)	441,278,371	240,000,000
Cash on hand	14,981,929	10,484,873
	<u>1,826,822,487</u>	<u>581,256,808</u>
Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months [Refer (a) below]	78,528,869	245,014,579
Total	<u>1,905,351,356</u>	<u>826,271,387</u>

(a) Includes deposits aggregating to ₹ 66,618,193 (31 March 2016: ₹ 220,525,182) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with asset assignments/securitisation transactions.

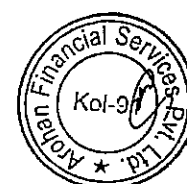
20 Other current assets

(Unsecured, considered good)

	As at 31 March 2017	As at 31 March 2016
Accrued Interest on loan to customers	133,647,999	77,391,292
Prepaid expenses	2,283,845	2,880,101
Interest receivable on loan transfer transactions	35,024,002	29,179,530
Grant receivable	136,540	7,713,315
Unamortised loan processing charges on borrowed funds	28,941,397	26,740,992
Interest accrued on fixed deposits	2,145,940	17,024,015
Interest strip on securitisation transactions	17,379,172	12,758,983
	<u>219,558,895</u>	<u>173,688,228</u>



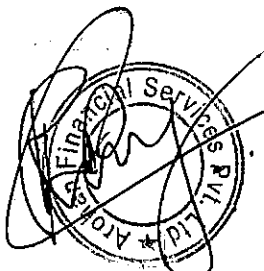
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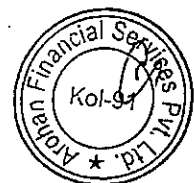


Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
21 Revenue from operations		
Interest on loan to customers	1,821,049,581	1,134,072,328
Income from loan processing fee	98,164,910	57,081,980
Income from securitisation (excess interest spread)	39,484,101	14,325,405
Other operating revenues [Refer (a) below]	145,779,130	75,367,768
	<u>2,104,477,722</u>	<u>1,280,847,481</u>
(a) Includes Interest on margin money deposits placed to avail term loan from banks, financial institutions and on deposits placed as cash collateral in connection with securitization amounting to ₹ 43,552,565 (31 March 2016 ₹ 35,849,297).		
22 Other income		
Interest income on:		
Fixed deposits	14,473,020	7,492,315
Income tax refund	69,212	-
Gain on sale of current investments	23,815,410	8,668,132
Profit on sale of fixed assets	29,693	12,000
Sundry balances written back	264,827	1,280,091
Grant received	6,654,757	9,352,548
Gain on foreign exchange fluctuation	48,304	-
	<u>45,355,223</u>	<u>26,805,086</u>
23 Employee benefits expense		
Salaries and other allowances	388,344,204	203,539,212
Contribution to provident and other funds	38,030,237	18,617,446
Employee stock option compensation	145,101	776,281
Staff welfare expenses	11,964,060	7,401,016
	<u>438,483,602</u>	<u>230,333,955</u>
24 Finance costs		
Interest expenses	934,229,141	535,840,613
Other borrowing costs	53,530,552	55,082,866
	<u>987,759,693</u>	<u>590,923,479</u>
25 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 12)	8,883,946	7,346,739
Amortisation of intangible assets (Refer note 13)	4,234,677	1,284,796
	<u>13,118,623</u>	<u>8,631,535</u>



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)



	Year ended 31 March 2017	Year ended 31 March 2016
26 Provision for loan portfolio		
Contingent provision against standard assets	32,422,511	1,543,659
Provision for non-performing assets (*)	32,632,176	20,604,651
	<u>65,054,687</u>	<u>22,148,310</u>

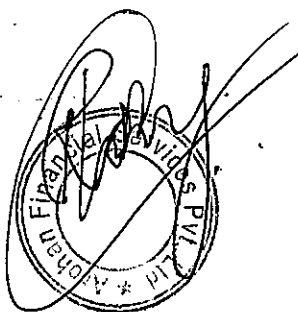
(*) The Company has made an additional provision towards non-performing assets for an amount of ₹ 32,632,176 (31 March 2016: Nil) during the year. This amount is over and above the amount required to be created in accordance with RBI guidelines.

27 Other expenses

Rent	35,700,680	27,130,341
Repairs and maintenance-others	7,409,919	2,818,348
Insurance	5,443,124	3,434,863
Power and fuel	4,876,898	1,958,726
Rates and Taxes	7,284,071	2,780,249
Office expenses	6,017,719	3,684,809
Membership and subscription	2,051,317	1,479,251
Office maintenance	7,615,021	4,491,909
Printing and stationery	10,144,665	8,068,362
Legal and Professional expenses	32,436,895	5,708,256
Recruitment and induction expenses	10,590,277	7,654,511
Communication expenses	9,884,227	2,360,898
Travelling and conveyance	70,038,378	39,702,180
Payment to auditors (Refer note (a) below)	2,579,246	2,372,000
Loan assets written off	15,260,694	6,643,832
Loss on foreign exchange fluctuation	-	98,908
Expenditure on corporate social responsibility (Refer Note 36)	3,624,909	1,712,838
Miscellaneous expenses	4,145,141	1,744,948
	<u>235,103,181</u>	<u>123,845,229</u>

(a) Payments to auditors

As auditor		
Statutory audit	2,200,000	2,200,000
Tax audit	100,000	100,000
In other capacity		
Reimbursement of expenses	279,246	72,000
	<u>2,579,246</u>	<u>2,372,000</u>



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Arohan Financial Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

28 Related party disclosures

a) Names of related parties and description of relationship

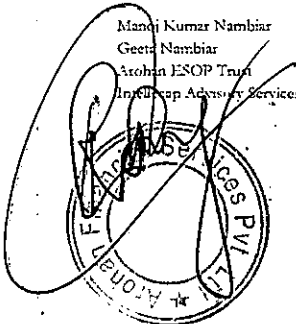
Relationship	Name
Key Management Personnel (KMP)	Manoj Kumar Nambiar - Managing Director Milind Ramchandra Nare - Chief Financial Officer Nipun Bhatia - Chief Operating Officer (resigned wef 31 March 2017) Vanita Mundhra - Company Secretary
Relatives of KMP	Geeta Nambiar
Entities which are able to exercise control or have significant influence	Intellectash Microfinance Network Company Private Limited Intellectual Capital Advisory Services Private Limited Intellectap Software Technologies Private Limited Intellectap Advisory Services Private Limited Aavishkaar Venture Management Services Private Limited Tano India Private Equity Fund II
Enterprise over which KMP have significant influence or control	Arohan ESOP Trust

b) Transactions with related parties

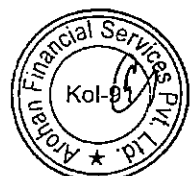
	Year ended 31 March 2017	Year ended 31 March 2016
Issue of equity shares (including share premium)		
Intellectash Microfinance Network Company Private Limited	-	3,565,988
Tano India Private Equity Fund II (including conversion of preference shares)	368,533,175	-
Aavishkaar Venture Management Services Private Limited	442,999,967	-
Loan repayment received		
Arohan ESOP Trust	9,600,000	-
Loan taken		
Manoj Kumar Nambiar	-	3,400,000
Geeta Nambiar	-	3,400,000
Loan repaid		
Manoj Kumar Nambiar	2,400,000	4,000,000
Geeta Nambiar	3,400,000	4,000,000
Remuneration*		
Manoj Kumar Nambiar	7,816,382	5,992,680
Nipun Bhatia	3,165,009	-
Milind Ramchandra Nare	3,492,037	-
Vanita Mundhra	809,706	586,520
Interest paid		
Manoj Kumar Nambiar	190,911	398,299
Geeta Nambiar	252,904	556,410
Professional fees		
Intellectap Advisory Services Private Limited	13,468,750	-
Loan processing charges		
Manoj Kumar Nambiar	-	72,000
Geeta Nambiar	-	17,000
Reimbursement of expenses		
Tano India Private Equity Fund II	49,995	12,999
Aavishkaar Venture Management Services Private Limited	49,492	-
Intellectap Advisory Services Private Limited	22,820	-
Rent & service charges		
Intellectual Capital Advisory Services Private Limited	134,232	538,382
Intellectap Software Technologies Private Limited	-	3,969

c) Balances receivable/(payable)

	As at 31 March 2017	As at 31 March 2016
Manoj Kumar Nambiar	-	(2,455,982)
Geeta Nambiar	-	(3,400,000)
Arohan ESOP Trust	-	9,600,000
Intellectap Advisory Services Private Limited (after TDS)	(13,135,858)	(40,777)



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Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

29 Additional disclosures pursuant to the RBI guidelines and notifications:

i) Capital

	31 March 2017	31 March 2016
Capital to Risk/Weighted Assets Ratio (CRAR) (%)	39.35%	25.02%
CRAR-Tier I Capital (%)	35.62%	25.02%
CRAR-Tier II Capital (%)	3.73%	-
Amount of subordinated debt raised as Tier-II Capital	350,000,000	-
Amount raised by issue of Perpetual Debt Instruments	-	-

ii) Investments

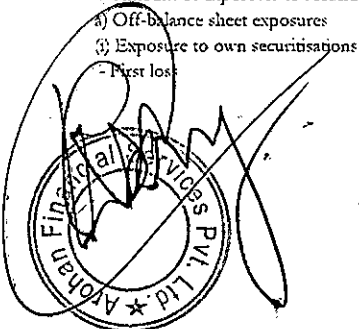
	31 March 2017	31 March 2016
A. Value of Investments		
Gross Value of Investments:		
a) In India	500,000	500,000
b) Outside India	-	-
Provisions for Depreciation:		
a) In India	-	-
b) Outside India	-	-
Net Value of Investments		
a) In India	500,000	500,000
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments		
Opening Balance	-	-
Add. Provisions made during the year	-	-
Less: Write-off/Write-back of excess provisions during the year	-	-
Closing Balance	-	-

iii) Derivatives

The Company does not have any derivatives exposure in the current and previous year.

iv) Disclosures relating to Securitisation

	31 March 2017	31 March 2016
A) Securitisation		
1) No. of SPVs sponsored by the NBFC for securitisation transactions	3	3
2) Total amount of securitised assets as per books of the SPVs sponsored	809,195,056	420,256,408
3) Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures		
(i) First loss	-	-
(ii) Others	-	-
b) On-balance sheet exposures		
(i) First loss	73,511,168	22,118,454
(ii) Others	-	-
4) Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
(i) Exposure to own securitisations	-	-
(ii) First loss	-	-



Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	109,957,386	63,757,929
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
Number of loans assigned/ securitised	71,151	44,409
Book value of loans assigned/ securitised	809,193,056	420,256,408
Sale consideration received for loans assigned/ securitised	809,193,056	420,256,408
Gain / (Loss) on account of direct assigned / securitization	-	-
Income recognised in the statement of profit and loss	39,484,101	14,323,405
Credit enhancements provided and outstanding (Gross):		
Principal collateralisation	36,429,251	22,118,454
Interest collateralisation	36,446,218	30,381,845
Cash collateral	73,511,168	33,376,084

B) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset reconstruction

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction during the current and previous year.

C) Details of Assignment transactions undertaken by NBFCs

The Company has not entered into any assignment transactions during the current and previous year.

D) Details of non-performing financial assets purchased/sold

The Company has not purchased/sold any non-performing financial assets (related to securitisation) during the current and previous year.

v) Asset Liability Management

Disclosures relating to maturity pattern of certain items of assets and liabilities are given in Note 30.

vi) Exposures

A) Exposure to Real Estate Sector

The Company did not have any exposure to real estate sector during the current and previous year.

B) Exposure to Capital Market

The Company did not have any exposure to capital market during the current and previous year.

C) Details of financing of parent company products

The Company does not have a parent company and accordingly no disclosures required.

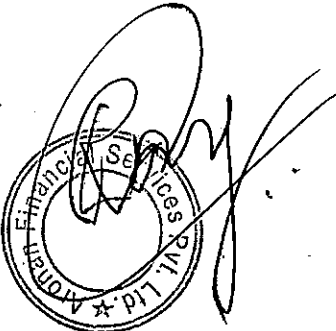
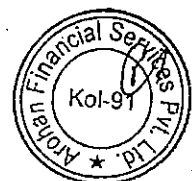
D) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

E) Unsecured Advances

All advances (loan to customers) given by the Company are unsecured advances to its customers (refer Note 16).

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Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

vii) Miscellaneous

A) Registration obtained from other financial sector regulators

The Company has obtained a certificate of registration under registration number CA0402 dated 1 August 2016 to act as Corporate Agent (Composite) under Insurance Regulatory and Development Authority of India (IRDA).

B) Disclosure of Penalties imposed by RBI and other regulators

There have been no penalties imposed on the Company by RBI or other financial sector regulators during the current and previous

C) Related Party Transactions

Details of all material related party transactions are disclosed in Note 28.

D) Ratings assigned by credit rating agencies and migration of ratings during the year

The details of ratings assigned by Credit Analysis & Research Ltd. (CARE) vide their report dated 1 July 2016 and migration of ratings during the year are as follows:

Facilities	Ratings	Remarks
Long-term Bank facilities	CARE A-	Revised from CARE BBB-
Non-Convertible Debentures	CARE A-	Revised from CARE BBB+
Unsecured Subordinated Tier II Debt	CARE BBB+	Availed in current year

E) Remuneration of Directors

Details relating to remuneration of directors are disclosed in Note 28.

viii) Additional Disclosures

A) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

	31 March 2017	31 March 2016
Provision towards standard and non performing assets (refer note 26)	65,054,687	22,148,310
Provision made towards Income tax (including for earlier year)	147,790,966	124,437,765
Other Provision and Contingencies (employee benefits)	9,471,738	5,886,124

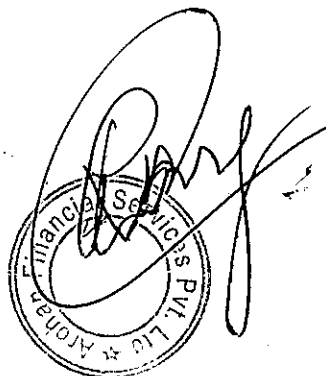
B) Draw Down from Reserves

There have been no instances of draw down from reserves by the Company during the current and previous year.

C) Concentration of Advances, Exposures and NPAs

	31 March 2017	31 March 2016
a) Concentration of Advances		
Total Advances to twenty largest borrowers	102,248,125	2,171,542
Percentage of Advances to twenty largest borrowers to Total Advances	1.12%	0.04%

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
b) Concentration of Exposures		
Total exposure to twenty largest borrowers/customers	102,346,125	2,171,542
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	1.12%	0.64%

c) Concentration of NPAs		
Total exposure to top four NPA accounts	237,107	323,074

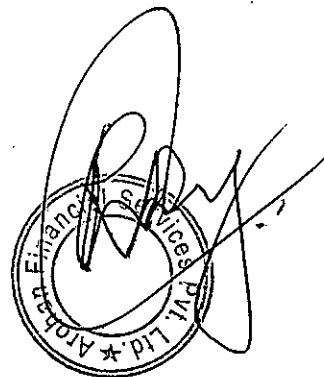
d) Sector-wise NPAs		
	Percentage of NPAs to Total Advances in that sector	
Agriculture & allied activities		Nil
MSME		Nil
Corporate borrowers		Nil
Services		Nil
Unsecured personal loans	0.36%	
Auto loans		Nil
Other personal loans		Nil
	0.36%	

e) Movement of NPAs		
	31 March 2017	31 March 2016
i) Net NPAs to Net Advances (%)	0.00%	0.41%
ii) Movement of NPAs (Gross)		
a) Opening Balance	24,287,534	9,844,522
b) Additions during the year	31,719,620	18,376,442
c) Reductions during the year	23,374,978	3,933,430
d) Closing balance	32,632,176	24,287,534
iii) Movement of Net NPAs		
a) Opening Balance	24,044,659	9,746,077
b) Additions during the year	31,719,620	18,192,677
c) Reductions during the year	55,764,279	3,894,095
d) Closing balance	-	24,044,659
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	20,604,651	9,844,522
b) Provisions made during the year	12,027,525	10,760,129
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	32,632,176	20,604,651

f) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
 The Company did not have any overseas assets during the current and previous year.

g) Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
 The Company did not sponsor any SPVs during the current and previous year.

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

ix) Disclosure of customer complaints

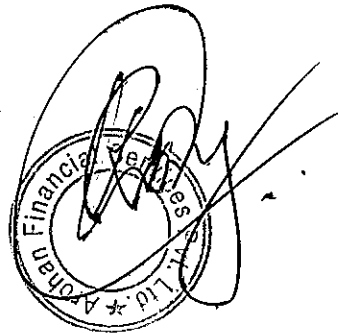
	31 March 2017	31 March 2016
a) No. of complaints pending at the beginning of the year	68	-
b) No. of complaints received during the year	486	453
c) No. of complaints redressed during the year	444	385
d) No. of complaints pending at the end of the year	110	68

x) Information on instances of fraud identified during the year

	31 March 2017	31 March 2016
Nature of fraud		
Cash embezzlement and snatching		
No. of cases	6	6
Amount of fraud	2,453,434	1,072,595
Recovery	1,780,326	800,546
Amount provided for	673,108	272,049
Loans given against fictitious documents		
No. of cases	2	1
Amount of fraud	1,114,214	371,992
Recovery	814,769	275,244
Amount provided for	299,445	96,748



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Arohan Financial Services Private Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)
 50 Asset Liability Management

Maturity pattern of assets and liability as on 31 March 2017

	Up to 30/31 days	Over 1 Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months & up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	463,868,253	56,958,143	57,660,683	123,925,361	198,391,859	218,911,642	-	-	1,129,245,341
Advances (Micro Finance Portfolios)	1,022,637,578	923,019,423	884,721,786	2,324,381,521	2,965,438,185	882,256,230	-	-	9,002,434,763
Advances (Corporate)	-	6,232,814	7,810,303	21,091,812	51,299,308	10,565,772	-	-	100,000,000
Investments	-	-	-	-	-	-	-	500,000	500,000
Borrowings	309,966,024	273,761,558	307,173,646	1,700,619,097	1,456,858,881	2,867,215,214	670,000,000	330,000,000	8,135,332,410
Foreign Currency assets	136,540	-	-	-	-	-	-	-	136,540
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

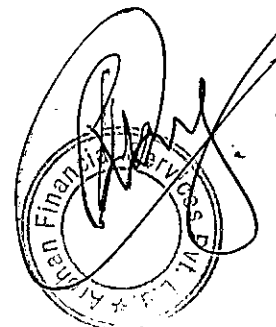
Maturity pattern of assets and liability as on 31 March 2016

	Up to 30/31 days	Over 1 Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months & up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	367,128,649	29,100,543	7,912,636	51,863,225	144,034,821	294,680,925	-	-	794,722,999
Advances (Micro Finance Portfolios)	537,092,272	573,639,231	553,746,899	1,443,654,615	1,660,213,460	1,068,949,273	-	-	5,860,193,740
Investments	-	-	-	-	-	-	-	500,000	500,000
Borrowings	285,787,595	205,366,745	318,589,255	861,988,275	1,363,425,175	1,625,698,000	200,000,000	330,000,000	5,395,053,075
Foreign Currency assets	1,341,020	-	-	-	-	-	-	-	1,341,020
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Notes:

- 1 The above borrowings exclude interest accrued and due and interest accrued but not due
- 2 The advances comprise of loan portfolio and does not include interest accrued
- 3 The above information has been considered as per the Asset Liability Management (ALM) Report compiled by the management and reviewed by the ALM Committee.

AD



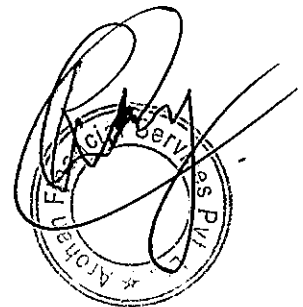



Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

31 Additional disclosures pursuant to Para 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016.

		As at 31 March 2017	
		Amount outstanding	Amount overdue
Liabilities side :			
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
(a) Debentures			
Secured		1,580,499,976	-
Unsecured		160,000,000	-
(other than falling within the meaning of public deposits)			
(b) Deferred Credits		-	-
(c) Term Loans (includes short-term borrowings)			
Secured		6,205,032,434	-
Unsecured		250,000,000	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial Paper		-	-
(f) Other Loans		-	-
Assets side :		31 March 2017	
(2) Break up of Loans and Advances:			
a) Secured, gross		160,000,000	
b) Unsecured, gross		9,002,434,763	
Total		9,102,434,763	
Of Total Loans and Advances			
(a) Loans to Body Corporates		160,000,000	
(a) Others		9,002,434,763	
Total Loans and Advances		9,102,434,763	
(3) Break up of Leased Assets			
(i) Lease assets including lease rentals under sundry debtors:			
(a) finance lease		-	-
(a) operating lease		-	-
(ii) Stock on hire including hire charges under sundry debtors			
(a) assets on hire		-	-
(a) repossessed asset		-	-
(iii) Other loans counting towards AFC activities			
(a) loans where assets have been repossessed		-	-
(b) loans other than (a) above		-	-
(4) Breakup of investments (long-term unquoted equity)			
Current Investments .			
1. Quoted			
(i) Shares :			
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted			
(i) Shares :			
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

31 March 2017

Long Term investments :

1. Quoted	
(i) Shares :	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares:	
(a) Equity	500,000
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

Net of provision as at 31 March 2017

(5) Borrower group-wise classification of assets financed as in (2) and (3)

Category	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	99,000,000	8,879,778,240	8,978,778,240
Total	99,000,000	8,879,778,240	8,978,778,240

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and

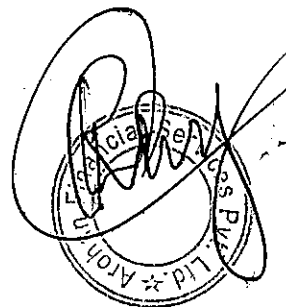
Category	Market value / Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties	-	-
2. Other than related parties	500,000	500,000
Total	500,000	500,000

(7) Other information

31 March 2017

(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	32,632,176
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired on satisfaction of debt	-

AD



Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

32 Contingent liabilities and commitments

- (a) Demand for income tax received from income tax authorities in respect of which the Company has gone for appeal is ₹ 2,537,872 (31 March 2016: ₹ 1,086,500). Based on the management assessment, crystallization of liability on these items is not considered probable and hence not acknowledged as debt by the Company.
- (b) Corporate Guarantee provided to Indusind Bank towards partnership agreement for ₹ 7,500,000 (31 March 2016: ₹ 7,500,000).
- (c) The details of credit enhancement provided in respect of securitisation transaction outstanding as at 31 March 2017 has been provided in note 29(iv).
- (d) Capital commitment for purchase/ development of intangible asser (net of advances) ₹ 1,000,000 (31 March 2016: ₹ 1,938,719).

33 Earnings per equity share [EPES]

	31 March 2017	31 March 2016
a) Profit considered for computation of basic and diluted EPES	274,627,044	216,541,788
b) Computation of weighted average number of equity shares in computation of basic and diluted EPES		
Weighted average number of shares considered for computation of basic EPES	56,479,401	51,687,286
Add: Effect of shares issued under ESOP scheme	27,086	62,429
Add: Effect of convertible preference shares	-	9,176,660
Add: Effect of warrants issued	-	83,184
Weighted average number of shares considered for computation of diluted EPES	56,506,488	61,009,559
c) Earnings per equity share [EPES]		
Basic EPES	4.86	4.19
Diluted EPES	4.86	3.55

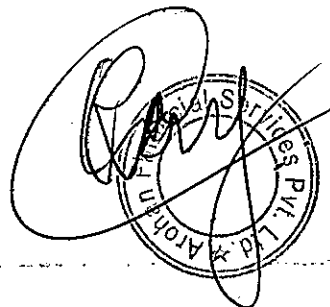
34 Foreign Currency Disclosures

	31 March 2017	31 March 2016
a) Earnings in foreign currency		
Grant income	138,803	2,933,475
	138,803	2,933,475
b) Unhedged foreign currency exposure		
	As at 31 March 2017	As at 31 March 2016
	Foreign currency	Foreign currency
	Amount	Amount
Grant Receivable	€ 1,968 138,803	£ 20,000 1,341,020
	138,803	1,341,020

35 Details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016(*)-:

	SBNs	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016	8,259,000	7,145,753	15,404,753
Add:- Permitted receipts	-	1,749,957,821	1,749,957,821
Less:- Permitted payments	-	996,002,885	996,002,885
Less:- Amount deposited in banks	8,259,000	701,945,307	710,204,307
Closing cash in hand as on 30 December 2016	-	59,153,382	59,153,382

(*) The Company is not able to determine appropriateness of classification between SBNs and Other denomination notes due to the nature of business of company.


Arohan Financial Services Private Limited
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

- 36 Disclosure in respect of Corporate Social Responsibility under section 135 of the Companies Act, 2013 and Rules thereon

	31 March 2017	31 March 2016
(a) Gross amount required to be spent during the year	3,624,909	1,712,838
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3,624,909	1,712,838

- 37 Segment reporting

The Company operates in a single reportable segment i.e. micro credit, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company does not have any reportable geographical segment.

- 38 Lease payments made under cancellable operating lease amounting to ₹ 35,700,680 (31 March 2016: ₹ 27,130,341) disclosed as rent and the same has been recognised as an expense in the statement of profit and loss.

- 39 Additional information as required under paragraph 5 of Part II of Schedule III to the Act to the extent either 'Nil' or 'Not Applicable' has not been furnished.

- 40 Previous year figures have been reclassified / regrouped wherever necessary, to confirm to current year presentation.

This is the summary of significant accounting policies and other explanatory information referred in our report of even date.

Walker Chandio & Co LLP

For Walker Chandio & Co LLP
Chartered Accountants

Anamitra Das

per Anamitra Das
Partner

For and on behalf of Board of Directors of
Arohan Financial Services Private Limited

Manoj Kumar Nambiar
Manoj Kumar Nambiar
Managing Director

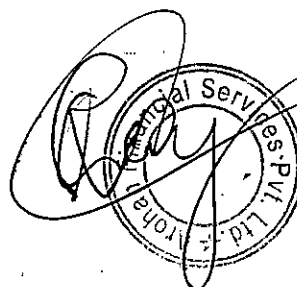
Vanita Mundhra
Vanita Mundhra
Company Secretary

Anurag Agrawal
Anurag Agrawal
Director

Milind Nare
Milind Nare
Chief Financial Officer

Place: Kolkata
Date: 19 May 2017

Place: Kolkata
Date: 19 May 2017





AROHAN
AN INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited
Audited financial statement for the period ending 31st March 2017
(All amounts in lakh of INR, unless otherwise stated)

Particulars	Six months ended 31st March, 2017	Corresponding Six months ended 31st March, 2016	Year to date figures for Current period ended 31st March, 2017	Previous accounting year ended 31st March, 2016
	Audited	Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	10,290.35	6,342.65	18,791.45	11,774.13
(a) Interest/disc. on advances/ bills	9,974.12	6,146.95	18,210.50	11,340.72
(b) Income on investments	-	-	-	-
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	316.23	195.70	580.95	433.41
2. Other Income	1,623.91	877.26	2,706.88	1,302.38
3. Total Income (1+2)	11,914.26	7,219.91	21,498.33	13,076.51
4. Interest Expended	5,482.45	3,190.12	9,877.60	5,909.23
5. Operating Expenses (i)+(ii)	3,685.04	2,017.28	6,867.05	3,628.09
(i) Employees cost	2,347.98	1,278.04	4,384.84	2,303.33
(ii) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	1,337.06	739.24	2,482.21	1,324.76
6. Total Expenditure (4+5) excluding provisions and contingencies	9,167.49	5,207.40	16,744.65	9,537.32
7. Operating Profit before Provisions and Contingencies (3-6)	2,746.77	2,012.51	4,753.68	3,539.19
8. Provisions (other than tax) and Contingencies	398.20	131.08	650.55	221.48
9. Exceptional Items	-	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	2,348.57	1,881.43	4,103.13	3,317.71
11. Tax expense	741.17	657.56	1,356.86	1,152.29
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	1,607.40	1,223.87	2,746.27	2,165.42
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	1,607.40	1,223.87	2,746.27	2,165.42
15. Paid-up equity share capital (Face Value of the Share shall be indicated)	8,226.89	5,103.46	8,226.89	5,103.46
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	25,890.36	9,083.84	25,890.36	9,083.84
17. Analytical Ratios				
(i) Capital Adequacy Ratio	39.35%	25.02%	39.35%	25.02%
(ii) Earnings Per Share (EPS) (Rs)				
-Basic	2.66	2.37	4.86	4.19
-Diluted	2.99	2.17	4.86	3.55
18) NPA Ratios				
a) Gross NPA	326.32	242.87	326.32	242.87
b) Net NPA	-	35.92	-	36.83
c) % of Gross NPA	0.36%	0.41%	0.36%	0.41%
d) % of Net NPA	0.00%	0.06%	0.00%	0.06%
e) Return on Assets (Non Annualized)	1.53%	1.96%	2.83%	3.47%

Note: 1.The above audited result of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 19th May 2017. 2) Statutory Auditors of the Company have audited the results for the year ended 31 March 2017. 3.)The figures for the half year ended 31 March 2017 and 31 March 2016 are the balancing figures between audited figures in respect of full financial year and the reviewed results for the half-year ended on 30 September 2016 and 30 September 2015 respectively.4)Previous period figures have been re-grouped and re-arranged, wherever necessary to conform to the current period's classification.

Date: May 19, 2017
Place: Kolkata

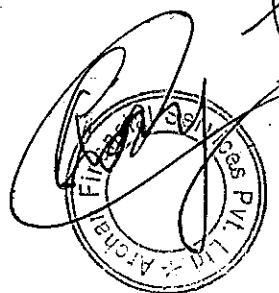
For Arohan Financial Services Private Limited

Manoj Kumar Nambiar
Managing Director

Arohan Financial Services (P) Limited

PT1 Building, 4th Floor, DP Block, DP-9, Sector-V, Salt Lake, Kolkata-700091
T: +91 33 4015 6000, F: +91 33 4015 6014
CIN No. U74140WB1991PTC053189

www.arohan.in

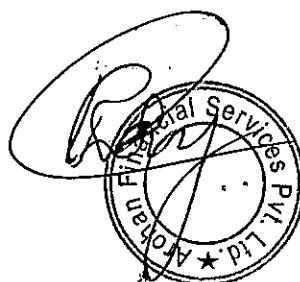


(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Arohan Financial Services Private Limited
Face Value (per security)	Rs.10,00,000/- (Rupees Ten Lakh Only)
Issue Date / Date of Allotment	Issue Opening Date : March 28, 2018
Redemption Date	Redemption Date: April 28, 2025
Coupon Rate	13.50% Coupon for the initial 43 months compounded monthly payable annually 13.25% coupon for the remaining 42 months compounded monthly payable annually
Frequency of the Coupon Payment with specified dates	Annually on 26-Mar-2019 26-Mar-2020 26-Mar-2021 28-Mar-2022 27-Mar-2023 26-Mar-2024 26-Mar-2025 28-Apr-2025
Day Count Convention	Actual/Actual

Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees) for Series A	Coupon Amount (in Rupees) for Series B	Principal Amount (in Rupees)
Issue amount	28-Mar-2018		3,500,000		(65,00,00,000)
1st Coupon	26-Mar-2019	363	49,992,696	42,850,882	
2nd Coupon	26-Mar-2020	366	50,395,775	43,196,378	
3rd Coupon	26-Mar-2021	365	50,174,508	43,006,721	
4th Coupon	28-Mar-2022	367	50,163,231	42,997,055	
5th Coupon	27-Mar-2023	364	49,153,511	42,131,581	
6th Coupon	26-Mar-2024	365	49,261,512	42,224,153	
7th Coupon	26-Mar-2025	365	49,189,506	42,162,434	
8th Coupon & Redemption	28-Apr-2025	33	4,192,808	3,593,836	65,00,00,000
Total					65,00,00,000



ANNEXURE VII: FORM NO PAS-4 PRIVATE PLACEMENT OFFER 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 650 (Six Hundred and Fifty) Unsecured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs.65,00,00,000/- (Rupees Sixty Five Crores only) on a private placement basis (the "Issue")

8.1 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 Private 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 G Thakur
Email: Anirudh.thakur@arohan.in

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

September 27, 1991

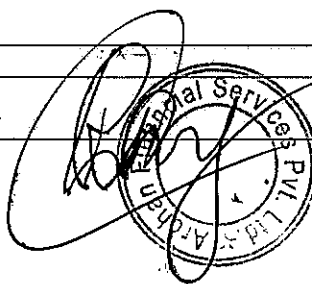
- (c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Arohan Financial Services Pvt. Ltd. ("Arohan") is a Microfinance Institution (MFI) that was set up in January 2006 as an NBFC and started its operations in April 2006 in Kolkata. It was founded by Mr. Shubhankar Sengupta-. Since its inception, Arohan has raised funds from social investors (institutional and individuals) including Bellwether Microfinance Trust, Michael & Susan Dell Foundation (MSDF) and Lok Capital. In Sep'12, Intellectash (an incubation & capacity building company in the microfinance sector & part of the Intellectap Group) backed by Aavishkaar Goodwell and other existing investors invested INR 27 Cr additional equity and took a 56% stake in Arohan.

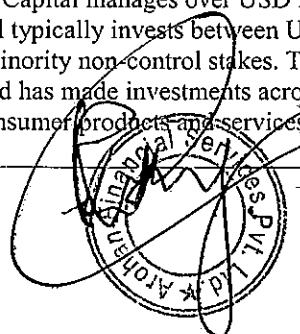
Unlike many other MFIs that primarily cater to the rural population, Arohan's focus was to provide financial services to the urban and semi-urban poor, however, since the beginning of Calendar Year (CY) 2010, Arohan has been lending to borrowers in rural areas as well. Arohan offers a basket of financial 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.

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

Board Of Directors			
Sr No	Name	Designation	Experience

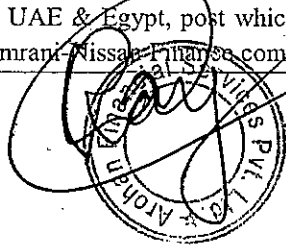


Board Of Directors			
Sr No	Name	Designation	Experience
1	Manoj Kumar Narayan Nambiar	Managing Director	Manoj Kumar Nambiar is the Managing Director of Arohan and a Board Member. Manoj has over 28 years of experience in consumer finance & retail banking. Manoj completed his mechanical engineering from 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.
2	Anurag Agrawal	Director	Anurag is currently a Partner at Aavishkaar, one of the pioneering Impact focussed Investment funds globally. He has been part of founding team of the group company Intellectap and last served as its CEO. In the last 12 years of his association with the Aavishkaar Intellectap Group, Anurag set up and built the Company's Investment Banking Practice with a specific focus on assisting early and growth-stage multiple bottom-line enterprises to raise capital.
3	Vineet Chandra Rai	Director	Considered as a pioneer in the Impact investment space, Vineet's philosophy has been to build the entire ecosystem for Impact Investing rather than just financial products and tools. In line with his vision, Aavishkaar Intellectap Group comprises Aavishkaar – the ground breaking Impact Investment Fund Manager, Arohan – a Microfinance Institution, IntellectGrow – a Venture Debt Company, and IntellectCap – the Global Impact Ecosystem builder. The Group also manages Sankalp - the foremost Global platform for engagement around impact investing.
4	Sumantra Banerjee	Independent Director	Sumantra Banerjee has over 35 years of experience of which 25 years were at MD/ Board level positions. His work experience covers the Power, Retail, IT, Automotive and Petro-chem sectors. His management experience includes long stints as MD of the Calcutta Electric Supply Corporation (CESC) and CEO at Spencer's Retail and also Management Board member with RPG Group.
5	Rajat Mohan Nag	Independent Director	Mr. Rajat M. Nag was appointed to the Board of Arohan with effect from 31st December, 2014. He is currently a Distinguished Fellow at the National Council of Applied Economic Research (NCAER), New Delhi, India and at the Emerging Markets Forum, Washington DC, USA. Mr. Nag was the Managing Director General of the Asian Development Bank (ADB). With broad experience across Asia, he has played a critical role in providing strategic and operational direction to ADB so it achieves its mission of helping its developing member countries reduce poverty and improve the quality of life of their people. He has also provided oversight to the risk management operations of ADB. Prior to this, he was head of ADB's Southeast Asia Department and Special Adviser to the President on Regional Economic Cooperation and Integration. Mr. Nag began his professional career at the Bank of Canada and held senior positions in a leading international consulting firm before joining ADB.
6	Piyush Goenka	Director	Mr. Piyush Goenka has 17 years of experience in Private Equity investing and other financial services. He is currently a partner at Tano Capital, an independent mid-market Private Equity Fund Manager. Founded in 2006, Tano Capital manages over USD 200 million across two funds. Tano Capital typically invests between USD 10-20 million in each company taking minority non-control stakes. Tano Capital is a sector agnostic Fund and has made investments across financial services, healthcare, consumer products and services, infrastructure and niche manufacturing.

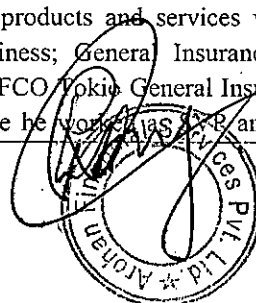


Board Of Directors			
Sr No	Name	Designation	Experience
7	Kailash Chand Vaid	Nominee Director	Mr. Kailash Chand Vaid is Regional Head of SIDBI, Kolkata having over 22 years of development banking experience. He has exposures in Credit, Risk and Recovery. Prior to joining SIDBI, he has over 7 years of experience with Allahabad Bank and 2 years in Composite Textile Mill. He is a B. Tech. (Textile Technology) and a MBA. He is also a Certified Associate of Indian Institute of Bankers (CAIIB).
8	Matangi Gourishankar	Independent Director	Matangi Gowrishankar has extensive senior leadership experience across multiple industries in India and overseas. She is passionate about building high performing teams and is recognised as being an effective coach and mentor across levels. She has been associated with BP India Services Pvt. Ltd for the past 10 years and is currently the Director of the global Leadership Academy & Head of Capability Development. Prior to this role, Matangi was the HR Director for the Asia Pacific Business of BP's Lubricants business based in Singapore
9	Kasper Svarrer	Nominee Director	Kasper has been with Maj Invest since 2009 and has been developing Maj Invest's international private equity business in Latin America, Asia and Africa. Kasper has more than 15 years of experience with investments in frontier and emerging markets and is now Managing Partner of Financial Infrastructure leading the team managing the two financial inclusion funds, Danish Microfinance Partners K/S and Maj Invest Financial Inclusion Fund II K/S. Previously Kasper has worked for the World Bank in Washington DC and The Investment Fund for Developing Countries (IFU). Kasper represents the fund DMP on the board of directors in the portfolio company Microcred Holding. He holds an MSc in Forestry and has an Executive MBA from Henley Business School, Reading University, UK. In addition he holds a diploma in Business Management from Georgetown University, USA.
10	Wilhelmus Marthinus Maria Van Der Beek	Director	Wim is the founder of Goodwell Investments (GIBV)- a Netherlands based investment firm focused on high-impact high-return investment solutions – and also the Managing Partner for the microfinance funds (AGIMDC I & II). In 2007, GIBV joined hands with Aavishkaar to launch Aavishkaar Goodwell India MDC (AGIMDC) focused on equity investments in early and growth stage MFIs, and a very important part of Arohan's ecosystem. Wim has over two decades of experience in financial structuring, investment management, private equity and cross border direct investments. Before launching Goodwell, Wim co-founded and managed an institutional fund advisory company. He has served in international client service leadership roles, led many industry initiatives and fulfilled various knowledge management roles. He holds a masters degree in economics and taxation from Erasmus University Rotterdam and post-graduate qualifications from Insead, Darden Business School and the multi-disciplinary Comenius program at seven European universities.

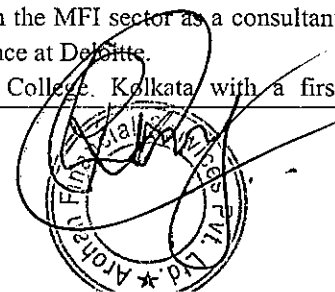
Name & Designation	Experience
Manoj Kumar Nambiar – Managing Director	Manoj Kumar Nambiar is the Managing Director of Arohan and a Board Member. Manoj has over 28 years of experience in consumer finance & retail banking. Manoj started his working career with Modi Xerox in 1988 and then moved into consumer financial services with GE Countrywide in 1995, retail banking with ANZ Grindlays in 1997 and retail assets & business development with ABN Amro Bank NV India in 2000. Manoj joined as Head Retail Banking of National Bank of Oman in 2002 looking after Oman, UAE & Egypt, post which he worked as the Chief Operating Officer of the Alhamrani-Nissar Finance company, KSA in 2004



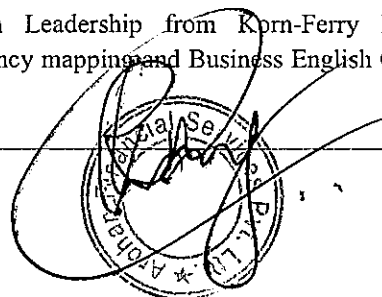
	and returned to Oman as the Dy CEO of Ahli Bank SAOG in 2008. He returned to India in June 2010 as MD & CEO of Intellecash Microfinance Network Company (P) Limited (an Intellec Group company) which is in the business of incubating and capacity building of MFIs. Manoj is also a director on the boards of Intellecash Microfinance Network Company (P) Limited, Aavishkaar Venture Management Services (P) Limited & Intellec 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. 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.
Shirish Chandra Panda – Senior Vice President & Head of Business	Shirish Chandra Panda has joined us as SVP - Head of Business handling the entire field operations. He has over 18 years of diversified experience. 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 & Credible Securities & 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.
Milind Nare – Chief Financial Officer	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. Milind heads the finance team at Arohan. He is directly responsible for Financial Management, Treasury Management, Audit & Taxation, Regulatory Compliance, Legal and Secretarial verticals. His role also includes liaising with all external Stakeholders. Milind joins us from India Factoring & 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 & Manufacturing Company Limited, Associated Capsules, L & T Capital Limited & Savant & Co. He brings expertise in Strategic planning, Treasury management, Resource mobilization, FOREX management, Audit & taxation, Regulatory Compliance, Information system control & MIS. Milind holds a masters & diploma in Financial Management and also in Computer
Harsh Patnaik, SVP - Central Operations and Alliances	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. 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 &



	Business Development . 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 Vice President - Risk & Credit	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 Thakur Head - 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 Insolvency Resolution Professional (IRP) exam 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 Manager (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).
Shraddha Srimal Assistant Vice President - Head of New Products and Alliance Businesses	Shraddha heads the New Products and Alliance Businesses at Arohan and has rich management and consulting experience of over 10 years. She started her career with Deloitte in 2007, where she worked with Deloitte's Innovation team to drive strategic initiatives, as well as, to build and pilot new services globally for the firm. She then worked as a Manager in Deloitte's Strategy & Operations Consulting practice in Mumbai assisting key Indian and MNC clients develop and deploy their strategy. Her clients have included PSU banks, as well as, large MNCs and conglomerates expanding their services to support the Financial Inclusion agenda in India. Some of her key projects include strategy formulation and application for conversion from MFI to bank for the largest player in the industry She has also worked with the MFI sector as a consultant. She was recognised for her outstanding performance at Deloitte. Shraddha graduated from St. Xavier's College, Kolkata with a first class in



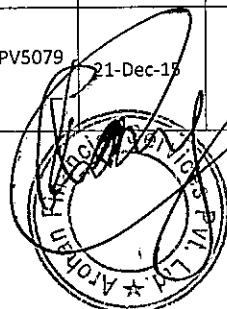
	Mathematics (Honours) in 2005. She completed her PGDM from IIM Indore in 2007.
Arvind Murarka Assistant Vice President - IT & Hubs	Anant Jayant Natu heads the Central Operations team at Arohan and has a rich experience of over 10 years. Anant looks after the central operations vertical which forms the backbone of the business delivery process. He and his team is responsible for product management, process and policy reviews, quality control, business analytics, and customer engagement (including maintaining a customer grievance redress system). Anant comes with rich and diverse experiences spanning across sectors like Banking and Consulting. He started his career at ICICI Bank as a Manager in 2006. He later joined MicroSave. His key achievements include providing consulting services to over 60 institutions across Asia & Africa that included banks, financial institutions, corporates, farmer/producer organisations, multilateral funding agencies, international aid agencies, social investment funds and development agencies. Anant also developed and led the nascent domain on Private Sector Development at MicroSave by driving its consulting business in the sectors of agriculture, WASH and energy. Prior to joining Arohan, his last assignment was with MicroSave. Anant completed his BE in 2003 and PGDRM from IRMA, Anand in 2006.
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. 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. 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 ICAI.
Prashant Rai Assistant 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. 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 & 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.



(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	Manoj Kumar Narayan Nambiar	Managing Director	18/04/1965	8, GODAVARI SECTOR-3, VASHI NAVI MUMBAI 400703 MH IN	03172919	AAAPN7851Q	3-Oct-12	- AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED - INTELLECAH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED - TRIBETECH PRIVATE LIMITED
2	Anurag Agrawal	Director	12/02/1978	SN 14 / 94 AGRAWAL KUNJ SARNATH VARANASI 221007 UP IN	02385780	AFTPA7676J	3-Oct-12	- JAIN SONS FINLEASE LIMITED - INTELLECAH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED - INTELLECAP ADVISORY SERVICES PRIVATE LIMITED - INTELLECTUAL CAPITAL ADVISORY SERVICES PRIVATE LIMITED - BUTTERFLY EDUFIELDS PRIVATE LIMITED
3	Vineet Chandra Rai	Director	17/06/1971	1705/06,F Wing,Whispering Palm,Exclusive Lokhandwala Complex,Akurl Road,Kandivali(E) Mumbai 400101 MH IN	00606290	ABUPR9400L	24-Oct-13	- JAIN SONS FINLEASE LIMITED - ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED - AAVISHKAAR VENTURE MANAGEMENT SERVICES

								- PRIVATE LIMITED - AAVISHKAAR VENTURE TRUSTEES PRIVATE LIMITED - INTELLECTUAL CAPITAL ADVISORY SERVICES PRIVATE LIMITED - TRIBETECH PRIVATE LIMITED
4	Sumantra Banerjee	Independent Director	17/06/1971	2C, Alipore Avenue Kolkata 700027 WB IN	00075243	AACPB4480B	29-Apr-14	- NOIDA POWER COMPANY LIMITED - HILLTOP HOLDINGS INDIA LTD - JUBILEE INVESTMENTS AND INDUSTRIES LIMITED
								- ANUDIP FOUNDATION FOR SOCIAL WELFARE - MYRIAD VENTURES PRIVATE LIMITED
5	Rajat Mohan Nag	Independent Director	12/09/1948	B-3/602, WORLD SPA WEST-SECTOR 30, GURGAON 122001 HR IN	07083831	AJOPN2511Q	31-Jan-15	PARTNERS FOR TRANSPARENCY FOUNDATION INDIA
6	Piyush Goenka	Director	26/07/1977	FLAT NO 1701, 17TH FLOOR, ERA 4, MARATHON ERA, VEER SANTAJIM ARG, OFF GANPATR OAKADA MMARG, LOWERPARL MUMBAI 400013 MH IN	02117859	ACZPG3344E	31-Mar-15	- SAFARI INDUSTRIES (INDIA) LIMITED - JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
7	Kailash Chand Vaid	Nominee Director	29/09/1962	340, N. S. C. BOSE ROAD, TOLLY GARDENS	07339850	AAVPV5079R	21-Dec-15	BANDHAN FINANCIAL SERVICES LIMITED



				FLAT NO.34, DAKHINA BANSIRO NI KOLKATA 700047 WB IN				
8	Matangi Gourishankar	Independent Director	27/02/1958	FLAT 71/76, NEW NAVRANG CHSL PEDDAR ROAD, NEAR TELEPHONE EXCHANGE MUMBAI 400026 MH IN	01518137	AAGPG8973J	22-Aug-16	• INTELLECAH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED
9	Wilhelms Marthinus Maria Van Der Beek	Director	24/11/1960	512 PALM SPRING LINK ROAD MALAD (WEST) MUMBAI 400064 MH IN	02142559	NWRH9D809	05-Dec-16	• INTELLECAH MICROFINANCE NETWORK COMPANY PRIVATE LIMITED
10	Kasper Svarrer	Nominee Director	07/03/1972	Sankt Thomas Alle 10, 4.Tv Frederiksberg 1824 DK	07252475	209245885	31-Mar-17	Nil

(f) **Management perception of Risk Factors:**

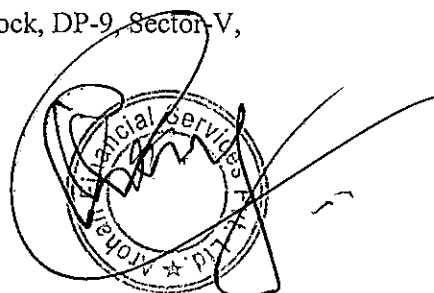
As provided for in Section 3 (*Risk Factors*) of this Information Memorandum.

(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

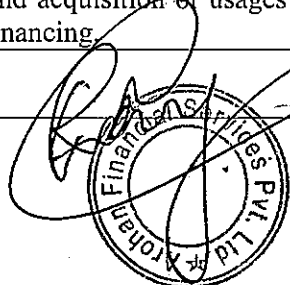
(h) **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Mr Dinesh Mourya
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: dinesh.mourya@arohan.in



8.2 Particulars of the Offer:

Date of passing of Board Resolution	August 29, 2017								
Date of passing of resolution in general meeting, authorizing the offer of securities	August 29, 2017								
Kind of securities offered and class of security	Non-Convertible Debentures, Unsecured 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 Lakh 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.65,00,00,000/- (Rupees Sixty Five Crore Only)								
Terms of raising of securities:	<table border="1"> <tr> <td>Duration, if applicable:</td><td>85 months from the Deemed Date of Allotment</td></tr> <tr> <td>Rate of Interest:</td><td>13.50% Coupon for the initial 43 months compounded monthly payable annually 13.25% coupon for the remaining 42 months compounded monthly payable annually</td></tr> <tr> <td>Mode of Payment</td><td>cheque(s)/ demand draft/ electronic clearing services (ECS)/ credit through RTGS system/funds transfer</td></tr> <tr> <td>Mode of Repayment</td><td>cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr> </table>	Duration, if applicable:	85 months from the Deemed Date of Allotment	Rate of Interest:	13.50% Coupon for the initial 43 months compounded monthly payable annually 13.25% coupon for the remaining 42 months compounded monthly payable annually	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
Duration, if applicable:	85 months from the Deemed Date of Allotment								
Rate of Interest:	13.50% Coupon for the initial 43 months compounded monthly payable annually 13.25% coupon for the remaining 42 months compounded monthly payable annually								
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	March 28, 2018								
Purpose and objects of the Issue/Offer	The proceeds of the Issuance will be utilized for the following purposes: - General corporate purposes - for the ordinary course of business of the Issuer including repayment/re-financing of existing debt 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.								
Contribution being made by the Promoters or directors either as part of	N.A.								



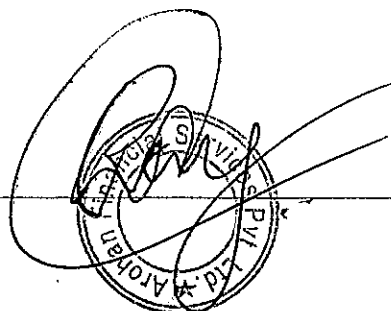
the offer or separately in furtherance of such objects	
Principal terms of assets charged as security, if applicable	N.A.

8.3 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 persons	NIL												
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 year and last 3 (three) financial years)	<table border="1"> <thead> <tr> <th>Name of the Director</th><th>Remuneration (in Rs)</th></tr> </thead> <tbody> <tr> <td>2017</td><td></td></tr> <tr> <td>Manoj Kumar Nambiar</td><td>78,16,382</td></tr> <tr> <td></td><td></td></tr> <tr> <td>2016</td><td></td></tr> <tr> <td>Manoj Kumar Nambiar</td><td>59,92,680</td></tr> </tbody> </table>	Name of the Director	Remuneration (in Rs)	2017		Manoj Kumar Nambiar	78,16,382			2016		Manoj Kumar Nambiar	59,92,680
Name of the Director	Remuneration (in Rs)												
2017													
Manoj Kumar Nambiar	78,16,382												
2016													
Manoj Kumar Nambiar	59,92,680												

	Shubhankar Sengupta		41,24,310		
	2015				
	Manoj Kumar Nambiar		4,938,120		
	Shubhankar Sengupta		27,52,540		
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-17	31-Mar-16	31-Mar-15
	Issue of equity shares				
		Intellectash Microfinance network company private limited		35,65,988	13,500,000
		Tano India Private equity fund II	308,533,175		
		Aavishkaar venture Management services	449,999,967		
		Manoj Kumar Nambiar			8,77,131
		Shubhankar Sengupta		4,24,650	2,19,279
	Loan repayment received	Arohan ESOP Trust	96,00,000		96,00,000
	Loan Taken				
		Manoj Kumar Nambiar		34,00,000	
		Geeta Nambiar		34,00,000	
	Loan repaid				
		Manoj Kumar Nambiar	24,00,000	40,00,000	
		Geeta Nambiar	34,00,000	40,00,000	
	Remuneration				
		Manoj Kumar Nambiar	78,16,382	59,92,680	49,38,120
		Shubhankar Sengupta		41,24,310	27,25,540
		Nipun Bhatia	31,65,009	-	-
		Milind Nare	34,92,037	-	-
		Vanita Mundhra	809,706	486,520	
	Interest Paid				
		Manoj Kumar Nambiar	190,911	398,299	505,809
		Geeta Nambiar	252,094	556,410	716,261
	Professional fee				
		Intellectap Capital Advisory services private limited	13,468,750		10,504,914
	Loan Processing Charge				
		Manoj Kumar Nambiar		12,000	19,500
		Geeta Nambiar		17,000	23,500
	Reimbursement of expense				
		Tano India Private equity fund II	49,995	12,999	
		Intellectap Capital Advisory services	49,992		

		private limited			
		Aavishkaar venture Management services	22,820		
	Rent & service Charges				
		Intellectap Capital Advisory services private limited	134,232	538,382	183,061
		Intellectap software Technologies private limited		39,69	540,816
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 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	NIL				
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 were any prosecutions filed	NIL				



(whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
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	Nil

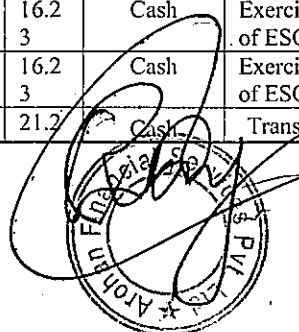
8.4 Financial Position of the Company:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) (as of December 2015)	Share Capital		Rs
	Authorised		
	9,03,53,320 Equity shares of Rs 10/- each		90,35,33,200
	TOTAL		90,35,33,200
	Issued, Subscribed and Fully Paid- up		
	82562368 Equity shares of Rs. 10/- each		82,56,23,680
	Less : Amount recoverable from ESOP Trust		24,10,000
	Preference Shares		
	Nil		
	TOTAL		8226,88,680
Size of the Present Offer	INR 100,00,00,000		
Paid-up Capital:			
a. After the offer:	N.A.		
b. After the conversion of Convertible Instruments (if applicable)	N.A.		
Share Premium Account:			
a. Before the offer:	N.A.		
b. After the offer:	N.A.		

Details of the equity share capital history of the Issuer:(as of December 31, 2017)

Date of	Name of Investor	No of Equity	Face	Issue	Consideration	Nature of	Cumulative Paid Up Capital		
							No of Equity	Equity Share	Equity Share
							Shares	Capital	Premium
							Shares	(Rs in Crore)	(Rs in Crore)
10-Sep-12	IntelleCash Microfinance Network Co Pvt Ltd	12569222	10	13	Cash	Fresh Share	12569222	12.57	3.63
10-Sep-12	Aavishkaar Goodwill India Microfinance Development Company	4973858	10	13	Cash	Fresh Share	4973858	4.97	1.44
10-Sep-12	Aavishkaar Venture Management Services Private Limited	6225	10	13	Cash	Fresh Share	6225	0.01	0
10-Sep-12	Michael & Susan Dell Foundation	2133437	10	13	Cash	Fresh Share	2133437	2.13	0.62
10-Sep-12	India Financial Inclusion Fund	930954	10	13	Cash	Fresh Share	930954	0.93	0.27
10-Sep-12	Manoj Kumar Nambiar	193949	10	13	Cash	Fresh Share	193949	0.19	0.06
30-Mar-13	Geeta Nambiar	1000	10	13	Cash	Fresh Share	1000	0	0
30-Mar-13	Shree Ravindranathan	1000	10	13	Cash	Fresh Share	1000	0	0
30-Mar-13	Nalini Agrawal	100	10	13	Cash	Fresh Share	100	0	0
30-Mar-13	Preeti Jha	1002	10	13	Cash	Fresh Share	1002	0	0
30-Mar-13	Kalpana Bhushan	1000	10	13	Cash	Fresh Share	1000	0	0
26-Sep-13	Aavishkaar Goodwill India Microfinance Development Company	9178312	10	20	Cash	Fresh Share	9178312	9.18	9.54
27-Sep-13	Aavishkaar Venture Management Services Private Limited	11487	10	20	Cash	Fresh Share	11487	0.01	0.01
4-Oct-13	Michael & Susan Dell Foundation	1373189	10	20	Cash	Fresh Share	1373189	1.37	1.43
4-Oct-13	Swaminathan Aiyar	150000	10	20	Cash	Fresh Share	150000	0.15	0.16
31-Mar-14	Manoj Kumar Nambiar	193949	10	13	Cash	Fresh Share	193949	0.19	0.06
1/10/2015	Intelle Cash Microfinance Network Co Pvt.Ltd.	168207	10	21.2	Cash	Fresh Issue	168207	0.17	0.19
29-04-2014	Jaydeep Chakraborty	30000	10	13.74	Cash	Transfer	30000	0.03	0.01
30-06-2014	Manoj Kumar Nambiar	54043	10	16.23	Cash	Fresh Issue	54043	0.05	0.03
13-07-2015	Manoj Kumar Nambiar	178387	10	21.2	Cash	Transfer	178387	0.18	0.20
29-11-2014	Madhu Murthy	30807	10	16.23	Cash	Fresh Issue	30807	0.03	0.02
30-06-	Shubhankar Sengupta	13510	10	16.23	Cash	Fresh	13510	0.01	0.01

2014				3		Issue			
13-07-2015	Shubhankar Sengupta	44597	10	21.2	Cash	Transfer	44597	0.04	0.05
01-10-2015	Shubhankar Sengupta	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.00
01-10-2015	Shubhankar Sengupta	25000	10	13.74	Cash	Exercise of ESOP	25000	0.03	0.01
29-04-2014	Arohan ESOP TRUST	-30000	10	13.74	Cash	Transfer	-30000	-0.03	-0.01
13-07-2015	Arohan ESOP TRUST	-178387	10	21.2	Cash	Transfer	-178387	-0.18	0.20
13-07-2015	Arohan ESOP TRUST	-44597	10	21.2	Cash	Transfer	-44597	-0.04	0.05
1/10/2015	Arohan ESOP TRUST	-5000	10	16.23	Cash	Transfer	-5000	-0.01	0.00
1/10/2015	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	-0.03	-0.01
31/01/2016	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	-0.03	0.009
31/01/2016	Shubhankar Sengupta	20000	10	13.74	Cash	Exercise of ESOP	20000	0.02	0.007
15/01/2016	Shubhankar Sengupta	5000	10	16.23	Cash	Exercise of ESOP	5000	0.008	0.003
05/12/2016	Conversion of Preference Shares to Equity Shares	9077830	10	20.22	Cash	Conversion of CCPS	9077830	18.36	10.22
31/05/2016	Arohan ESOP TRUST	-90000	10	13.74	Cash	Transfer	-90000	0.12	0.03
31/05/2016	Arohan ESOP TRUST	-25000	10	13.74	Cash	Transfer	-25000	0.03	0.009
31/05/2016	Manoj Kumar Nambiar	90000	10	13.74	Cash	Exercise of ESOP	90000	0.12	0.03
31/05/2016	Amit Dutta	25000	10	13.74	Cash	Exercise of ESOP	25000	0.03	0.009
31/05/2016	Rajesh Verma	10000	10	13.74	Cash	Exercise of ESOP	10000	0.013	0.003
31/05/2016	Tapas Pal	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Sudeep Chakraborty	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Joyanta Bakali	20000	10	13.74	Cash	Exercise of ESOP	20000	0.027	0.007
31/05/2016	Sayan Debnath	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/05/2016	Amit Sinha	5000	10	13.74	Cash	Exercise of ESOP	5000	0.006	0.001
31/08/2016	Arohan ESOP TRUST	-40000	10	16.23	Cash	Transfer	-40000	0.06	0.02
08/08/2016	Manoj Kumar Nambiar	40000	10	16.23	Cash	Exercise of ESOP	-40000	0.06	0.02
31/08/2016	Arohan ESOP TRUST	-40000	10	16.23	Cash	Transfer	-40000	0.06	0.02
05/08/2016	Lokesk D Ray	5000	10	16.23	Cash	Exercise of ESOP	-5000	0.008	0.003
12/08/2016	Debarshi Chaudhuri	7500	10	16.23	Cash	Exercise of ESOP	-7500	0.012	0.005
24/08/2016	Madhu Murthy	22500	10	16.23	Cash	Exercise of ESOP	-22500	0.036	0.014
29/08/2016	Somnath Chakraborty	5000	10	16.23	Cash	Exercise of ESOP	5000	0.008	0.003
	Arohan ESOP TRUST	-124900	10	21.2	Cash	Transfer	-124900	0.06	0.13



30/09/2016				0					
03/09/2016	Amit Dutta	15000	10	21.20	Cash	Exercise of ESOP	15000	0.03	0.017
03/09/2016	Joyanta Bakali	15000	10	21.20	Cash	Exercise of ESOP	15000	0.03	0.017
03/09/2016	Anant Jayant Natu	5000	10	21.20	Cash	Exercise of ESOP	5000	0.010	0.006
03/09/2016	Shraddha Srimal	15000	10	21.20	Cash	Exercise of ESOP	15000	0.032	0.017
03/09/2016	Susanta Behera	5000	10	21.20	Cash	Exercise of ESOP	5000	0.011	0.006
03/09/2016	Joyanta Bakali	15000	10	21.20	Cash	Exercise of ESOP	15000	0.032	0.017
03/09/2016	Tamal Chakraborty	5000	10	21.20	Cash	Exercise of ESOP	5000	0.011	0.006
30/09/2016	Shraddha Srimal	49900	10	13.74	Cash	Exercise of ESOP	49900	0.070	0.019
15/10/2016	Arohan ESOP TRUST	-8750	10	16.23	Cash	Transfer	-8750	0.014	0.005
15/10/2016	Amit Dutta	8750	10	16.23	Cash	Exercise of ESOP	8750	0.014	0.005
15/11/2016	Manoj Kumar Nambiar	-750328	10	27.04	Cash	Transfer	-750328	2.03	1.053
15/11/2016	Aavishkaar Venture Management Services Private Limited	750328	10	27.04	Cash	Transfer	750328	2.03	1.053
19/01/2017	Right Issue of Shares	2344736	10	56.61	Cash	Issue of Equity Shares	2344736	13.27	10.93
19/01/2017	Right Issue of Shares	7916927	10	56.61	Cash	Issue of Equity Shares	7916927	44.82	36.90
31/03/2017	Maj Invest Financial Inclusion Fund II K/S	11452405	10	84.70	Cash	Issue of Equity Shares	11452405	97.00	85.55
31/03/2017	Arohan ESOP TRUST	-63750	10	16.23	Cash	Transfer	-63750	0.10	0.040
26/01/2017	Madhu Murthy	10000	10	16.23	Cash	Exercise of ESOP	10000	0.02	0.006
20/02/2017	Amit Dutta	8750	10	16.23	Cash	Exercise of ESOP	8750	0.01	0.005
10/03/2017	Madhu Murthy	12500	10	16.23	Cash	Exercise of ESOP	12500	0.02	0.008
17/03/2017	Sayan Debnath	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
17/03/2017	Rajesh Verma	10000	10	16.23	Cash	Exercise of ESOP	10000	0.02	0.006
20/03/2017	Anant Jayant Natu	12500	10	16.23	Cash	Exercise of ESOP	12500	0.02	0.008
20/03/2017	Sudeep Chakraborty	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
07/04/2017	Arohan ESOP TRUST	-10000	10	16.23	Cash	Transfer	-10000	0.02	0.006
07/04/2017	Ananya Jana	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
04/05/2017	Amit Sinha	5000	10	16.23	Cash	Exercise of ESOP	5000	0.01	0.003
12/04/2017	Ajay Sharma	150000	10	63	Cash	Transfer	150000	0.95	0.795
12/04/2017	Rajesh Sachdeva	888480	10	63	Cash	Transfer	888480	5.60	4.71
09/06/2017	Arohan ESOP TRUST	-17500	10	24.77	Cash	Transfer	-17500	0.04	0.026

09/06/2017	Prashant Rai	7500	10	24.77	Cash	Exercise of ESOP	7500	0.02	0.011
09/06/2017	Milind Ramchandra Nare	10000	10	24.77	Cash	Exercise of ESOP	10000	0.02	0.015
30/06/2017	Arohan ESOP TRUST	-25000	10	16.23	Cash	Transfer	-25000	0.04	0.016
30/06/2017	Shraddha Srimat	25000	10	16.23	Cash	Transfer	25000	0.04	0.016
17/07/2017	India Financial Inclusion Fund	-3088912	10	70	Cash	Transfer	-3088912	21.62	18.53
17/07/2017	Maj Invest Financial Inclusion Fund II K/S	3088912	10	70	Cash	Transfer	3088912	21.62	18.53

Shareholding pattern of the Issuer as on December 31, 2017

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	IntelleCash Microfinance Network Co Pvt Ltd	Equity	18,067,494	21.88%	18,067,494
2	Aavishkaar Goodwill India Microfinance Development Company	Equity	14,152,170	17.14%	3437866
3	Aavishkaar Venture Management Services Private Limited	Equity	8,717,165	10.56%	8,717,165
4	Michael & Susan Dell Foundation	Equity	4,460,980	5.40%	4,460,980
5	Tano India Private Equity Fund II	Equity	20,462,580	24.78%	20,462,580
6	Maj Invest Financial Inclusion Fund II K/S	Equity	14,541,317	17.61%	14,541,317
7	Ajay Sharma	Equity	150,000	0.18%	1,20,000
8	Rajesh Sachdeva	Equity	888,480	1.08%	847080
9	Arohan ESOP Trust	Equity	293,016	0.35%	293,016
10	Vidyanand Jha	Equity	18,954	0.02%	0
11	Swaminathan Aiyar	Equity	677,028	0.82%	0
12	Joyanta Bakali	Equity	37,300	0.05%	0
13	Ayan Chatterjee	Equity	117	0.00%	17
14	Geeta Nambiar	Equity	2,002	0.00%	0
15	Shree Ravindranathan	Equity	1,170	0.00%	1170
16	Nalini Agrawal	Equity	100	0.00%	0
17	Kalpna Bhushan	Equity	1,170	0.00%	1170
18	Shraddha Srimat	Equity	57,500	0.07%	57,500
19	Lokesh Dulalsankar Ray	Equity	7575	0.01%	7575
20	Anant Jayant Nahu	Equity	8750	0.01%	8750
21	Milind Ramchandra Nare	Equity	10000	0.01%	10000
22	Prashant Rai	Equity	7500	0.01%	7500

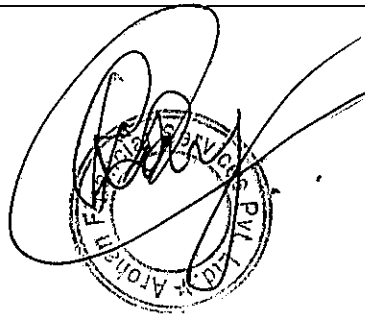
Details of allotments made by the company in the last one year prior to the date of this offer letter for consideration other than cash and details of the consideration in each case.

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

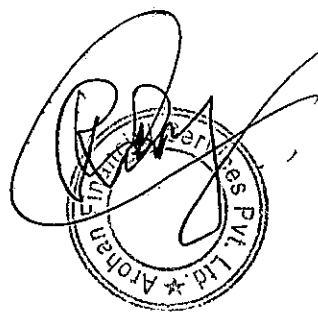
FY	PBT (in INR Cr)	PAT (in INR Cr)
FY 2017	41.03	27.46
FY 2016	33.17	21.65
FY 2015	15.75	10.90

Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	Nil
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 1
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter	Refer Annexure I
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	Nil

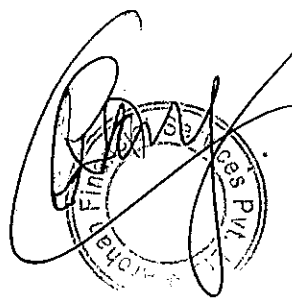


(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Annexure 1



Annexure II



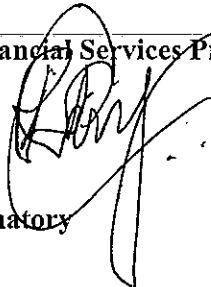
8.5 DECLARATION (To be provided by the Directors)

- 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 February 16, 2018, 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 Private Limited,



Authorised Signatory

Name:

Title:

Date:

Enclosed

Copy of Board Resolution

Copy of Shareholders Resolution

Optional Attachments, if any