

No.CTL/DEB/19-20/Noting Certificate/3415

May 16, 2019

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited ("**Debenture Trustee**") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("**Regulations**"), provided to us by **Arohan Financial Services Limited ("the Company")** for the Half year ended March 31, 2019.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited


Authorised Signatory

Encl: Results submitted by Company



Date: 16th May 2019

To,
Dept. of Corporate Service.
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Dear Sir/Madam,

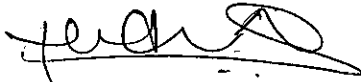
Ref: No. CTL/MUM/Compliance/Half-Yearly/2018-19/3528

Sub: Submission of Half Yearly Compliance under Regulation 52(4) for the half year ended March 31, 2019

Please find enclosed the Half Yearly Compliance under Regulation 52(4) of SEBI (LODR) Regulations, 2015 for the half year ended 31.03.2019.

**Thanking You,
Yours Faithfully,**

For Arohan Financial Services Limited



**Anirudh Singh G. Thakur
Company Secretary
Membership No- A13210**



CC:
Catalyst Trusteeship Limited,
Office No.83-87, 8th Floor, 'Mittal Tower',
'B' Wing, Nariman Point, Mumbai-400021.

Date: 16th May, 2019

To,
Catalyst Trusteeship Limited
Office No. 83-87, 8th Floor, 'Mittal Tower',
'B' Wing, Nariman Point, Mumbai-400021

Dear Sir/Madam,

Sub: Half Yearly communication for Debt Securities in respect of half year ended 31st March, 2019

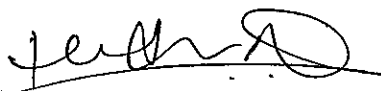
We wish to inform the following as per the clauses of Listing Agreement-

- b) Credit Rating- A- (A minus)
- c) Asset Cover (Certificate Attached)
- d) debt-equity ratio- (Certificate Attached)
- e) previous due date for the payment of interest/dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares/ non convertible debt securities and whether the same has been paid or not; and- as per Annexure-A
- f) Next due date for the payment of interest/ dividend of non-convertible preference shares/ principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount- as per Annexure-A
- g) Debt service coverage ratio (not applicable for NBFC);
- h) Interest service coverage ratio (not applicable for NBFC);
- i) Debenture Redemption Reserve; not applicable
- j) Net worth- INR 68122 Lakhs
- k) Net profit after tax- INR 11207 Lakhs
- l) Earning per share- I) Basic- INR 12.30
II) Diluted- INR 12.27

Kindly take the same on your record.

Thanking You,

For Arohan Financial Services Limited



Authorised Signatory



KGRS & CO

Chartered Accountants

Chatterjee International Centre

17th Floor, Flat No. 13

33A, J. L. Nehru Road

Kolkata - 700 071

Tele-Fax : (033) 4005 6199

Chartered Accountants' Certificate

We have verified the unaudited financial statements of Arohan Financial Services Limited (formerly Arohan Financial Services Private Limited) ("the Company") bearing CIN: U74140WB1991PLC053189 having its registered office at PTI Building, 4th Floor, DP-9, Sector V, Salt Lake Kolkata 700091 as on 31st March 2019 and certify that the Debt-Equity Ratio of the Company as on 31st March 2019 is as computed below:

Debt Equity ratio of the Company as on 31-03-2019

Particulars	As on 31st March 2019 (Rs)	As on 31st March 2019 (Rs)
Loan Funds		
Non Convertible Debentures		
Blue Orchard Microfinance Fund for Asia (MIFA) Debt Fund SA, SICAV-SIF - 14.30%	26,00,00,000	
IFMR Capital Finance Private Limited - 14.25%	10,00,00,000	
Hinduja Leyland Finance Limited - 11.49%	35,00,00,000	
Debenture - Northern Arc - 13.50%	65,00,00,000	
Debenture - Northern Arc - 13.50%	35,00,00,000	
		1,71,00,00,000
Long term loans		25,39,98,07,964
Short term loans		2,42,75,67,330
		29,53,73,75,294
Less:		
Current maturities of long term loans		13,80,63,01,882
Current maturities of Debentures		35,00,00,000
Short term loans		2,42,75,67,330
Total Debt (A)		12,95,35,06,082
Equity		
Equity share capital		1,01,16,14,080
Reserve & surplus including surplus in the statement of profit & loss		5,80,05,77,607
Total Equity (B)		6,81,21,91,687
Debt Equity Ratio (A/B)		1.902

KGRS & Co.

Chartered Accountants

Firm Registration No. 3100136

Paramita Dasgupta

(P Dasgupta)

Partner

Membership No. 303801

Place: Kolkata

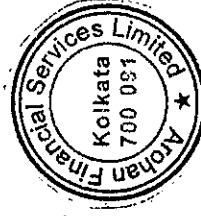
Date: May 09, 2019

Ref: KGRS/2306/19-20

UDIN: 19303801AAAED1070

Sr. No.	Consent Letter / Tranche Reference	Consent Letter / Tranche Date	ISIN **	Issue Size (per ISIN) Rs. Crore	Listed / Unlisted	Secured / Unsecured	Details of redemption & payment of interest during half-year ending March 31, 2019				Details of redemption & payment of interest due in the next half-year i.e. 01-04-2019 to 30-09-2019				Details of Debenture Redemption Reserve (if applicable)			Credit Rating Agency & Rating as on March 31, 2019	Change in Credit Rating during Half Year ended March 31, 2019
							Principal / Interest	Due Date	Amount (Rs)	Actual Payment date	Date of information sharing with Credit Rating Agency (in case of default)	Principal / Interest	Due Date	Amount (Rs)	DRR required to be created (Rs Crore)	DRR Created upto March 31, 2019 (Rs Crore)	Funds invested for debentures maturing this year		
1	CL/MUM/15-16/DEB/260	07-Dec-15	INE808K07105	33.00	Listed	Secured	Principal & Interest	18-Dec-18	35,36,59,644	18-Dec-18	Not Applicable	-	-	-	NA	NA	NA	CARE A+; Positive	No Change
2	CL/MUM/15-16/DEB/313	04-Jan-16	INE808K07113	20.00	Listed	Secured	Principal & Interest	27-Jan-19	21,44,25,509	25-Jan-19	Not Applicable	-	-	-	NA	NA	NA	CARE A+; Positive	No Change
3	CL/MUM/16-17/DEB/233	14-Sep-16	INE808K08012	10.00	Listed	Unsecured	Interest	20-Sep-18	1,42,50,000	20-Sep-18	Not Applicable	Interest	20-Sep-19	14,25,00,000	NA	NA	NA	CARE A+; Positive	No Change
4	CL/MUM/16-17/DEB/7	11-Apr-16	INE808K07121	26.00	Listed	Secured	Interest	28-Oct-18	1,86,51,230	26-Oct-18	Not Applicable	Interest	28-Apr-19	18,54,93,110	NA	NA	NA	CARE A+; Positive	No Change
5	CL/MUM/17-18/DEB/659	20-Mar-18	INE808K08046	65.00	Listed	Unsecured	Interest	26-Mar-18	92,84,36,76	25-Mar-18	Not Applicable	Interest	26-Mar-19	92,84,36,76	NA	NA	NA	CARE A+; Positive	No Change

** In case of any ISIN omitted by us due to oversight, kindly add them while furnishing information.



Walker Chandiook & Co LLP

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

T +91 33 4050 8000

Independent Auditor's Report on Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have audited the financial results of Arohan Financial Services Private Limited ("the Company") for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the financial results regarding the figures for the half-year ended 31 March 2019 as reported in these financial results, which are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the half-year ended 30 September 2018. Also the figures up to the end of the half-year ended 30 September 2018 had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including 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 published year to date figures up to the end of the half-year ended 30 September 2018 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and SEBI Circular CIR/IMD/DF1/69/2016 dated 10 August 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2019 and our review of financial results for the half-year ended 30 September 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Walker Chandiok & Co LLP

3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
- (i) are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/IMD/DF1/69/2016 dated 10 August 2016, in this regard; and
 - (ii) give a true and fair view of the net profit and other financial information in conformity with the accounting principles generally accepted in India for the year ended 31 March 2019.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Anamitra Das
Partner
Membership No. 062191



Place: Kolkata
Date: 15 May 2019



AROHAN

AAVISHKAAR-INTELLECAP ENTERPRISE

Arohan Financial Services Limited

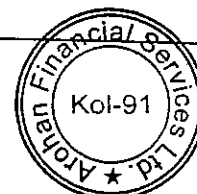
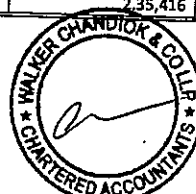
(Formerly Arohan Financial Services Private Limited)

Statement of audited financial results for the year ended 31 March 2019

Particulars	Half year ended			
	31 March 2019		31 March 2018	
	Audited		Audited	
1 Revenue				
(a) Revenue from operations				
(b) Other income	35,836	19,525	63,103	32,169
Total revenue	165	222	362	533
2 Expenses	36,001	19,747	63,465	32,702
(a) Employee benefit expense				
(b) Finance costs	6,336	4,034	11,739	6,916
(c) Depreciation and amortisation expense	14,521	7,195	25,361	12,357
(d) Provisions and write offs	211	200	410	305
(e) Other expenses	1,745	3,307	4,069	4,856
Total expenses	3,499	2,282	6,566	3,726
3 Profit from ordinary activities before tax (1-2)	26,312	17,018	48,145	28,160
4 Tax Expenses	9,689	2,729	15,320	4,542
(a) Current tax				
(b) Tax reversal for earlier periods	2,763	916	4,585	2,026
(c) Deferred tax credit	-	2	(106)	(10)
	(326)	(2)	(366)	(441)
5 Net Profit from ordinary activities after tax (3-4)	7,252	1,813	11,207	2,967
6 Paid-up equity share capital (Face value of ₹ 10 each)	10,116	8,822	10,116	8,822
7 Reserves excluding Revaluation Reserves	58,006	29,162	58,006	29,162
8 Earning per share				
(a) Basic (In ₹)	12.30	3.35	12.30	3.35
(b) Diluted (In ₹)	12.27	3.35	12.27	3.35

Balance Sheet as at 31st March, 2019

Particulars		As at	
		31 March 2019	31 March 2018
		Audited	Audited
A Equity and liabilities			
1 Shareholders funds			
(a) Share capital	10,116	8,822	
(b) Reserves and surplus	58,006	29,162	
Sub-total - Shareholders funds	68,122	37,984	
2 Non-current liabilities			
(a) Long-term borrowings	1,29,535	90,625	
(b) Other long-term liabilities	1,384	412	
(c) Long-term provisions	3,120	2,868	
Sub-total - Non-current liabilities	1,34,039	93,905	
3 Current liabilities			
(a) Short-term borrowings	24,276	23,417	
(b) Trade payables	-	-	
Total outstanding dues of micro enterprises and small enterprises	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	
(c) Other current liabilities	1,58,242	80,006	
(d) Short-term provisions	1,652	104	
Sub-total - Current liabilities	1,84,170	1,03,527	
Total - Equity & Liabilities	3,86,331	2,35,416	
B Assets			
1 Non-current assets			
(a) Property, plant and equipment - tangible assets	601	499	
(b) Intangible assets	570	534	
(c) Intangible asset under development	5	-	
(d) Non-current investments	5	5	
(e) Deferred tax assets (net)	1,151	785	
(f) Loan to customers	91,490	45,231	
(g) Long-term loans and advances	396	100	
(h) Other non-current assets	5,929	4,960	
Sub-total - Non-current assets	1,00,147	52,114	
2 Current assets			
(a) Current investment	-	2	
(b) Cash and bank balances	20,778	17,790	
(c) Loan to customers	2,57,545	1,60,524	
(d) Short-term loans and advances	1,661	1,338	
(e) Other current assets	6,200	3,648	
Sub-total - Current assets	2,86,184	1,83,302	
Total - Assets	3,86,331	2,35,416	



Arohan Financial Services Limited
(Formerly Arohan Financial Services Private Limited)
Balance Sheet as at 31 March 2019
(All amounts in ₹ unless otherwise stated)



AROHAN

AAVISHKAAR-INTELLECAP ENTERPRISE

	Notes	As at 31 March 2019	As at 31 March 2018
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,01,16,14,080	88,22,43,530
Reserves and surplus	5	5,80,05,77,607	2,91,62,10,191
		6,81,21,91,687	3,79,84,53,721
Non-current liabilities			
Long-term borrowings	6	12,95,35,06,081	9,06,25,10,576
Other long-term liabilities	7	13,84,35,163	4,11,71,927
Long-term provisions	8	31,19,83,853	28,68,09,359
		13,40,39,25,097	9,39,04,91,862
Current liabilities			
Short-term borrowings	6	2,42,75,67,330	2,34,16,61,075
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other current liabilities	10	15,82,42,42,157	8,00,05,73,856
Short-term provisions	8	16,52,33,157	1,04,38,270
		18,41,70,42,644	10,35,26,73,201
Total		38,63,31,59,428	23,54,16,18,784
Assets			
Non-current assets			
Property, plant and equipment - tangible assets	12	6,01,04,779	4,99,20,513
Intangible assets	13	5,70,37,105	5,34,11,627
Intangible asset under development		5,28,650	-
Non-current investments	14	5,00,000	5,00,000
Deferred tax assets (net)	15	11,51,47,340	7,85,10,734
Loan to customers	16	9,14,89,77,501	4,52,31,15,161
Long-term loans and advances	17	3,96,27,910	99,62,004
Other non-current assets	18	59,27,74,391	49,60,39,677
		10,01,46,97,676	5,21,14,59,716
Current assets			
Current investments	14		1,58,296
Cash and bank balances	19	2,07,78,41,106	1,77,90,33,776
Loan to customers	16	25,75,44,92,577	16,05,23,71,725
Short-term loans and advances	17	16,61,22,646	13,37,64,386
Other current assets	20	62,00,05,423	36,48,30,885
		28,61,84,61,752	18,33,01,59,068
Total		38,63,31,59,428	23,54,16,18,784

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

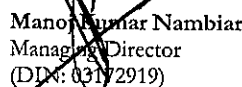
For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

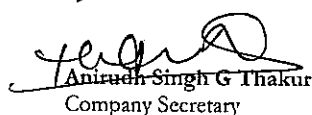

Anamitra Das

Partner
Membership No. 062191

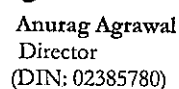
Place: Kolkata
Date: 15 May 2019

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


Manoj Kumar Nambiar
Managing Director
(DIN: 03172919)


Anirudh Singh G Thakur
Company Secretary

Place: Kolkata
Date: 15 May 2019


Anurag Agrawal
Director
(DIN: 02385780)


Milind Nare
Chief Financial Officer



Arohan Financial Services Limited
(Formerly Arohan Financial Services Private Limited)
Statement of Profit and Loss for the year ended 31 March 2019
(All amounts in ₹ unless otherwise stated)



AROHAN

AAVISHKAAR-INTELLECAP ENTERPRISE

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	21	6,31,02,80,283	3,21,68,94,126
Other income	22	3,62,14,963	5,32,81,738
Total revenue		6,34,64,95,246	3,27,01,75,864
Expenses			
Employee benefits expense	23	1,17,38,50,334	69,15,80,868
Finance costs	24	2,53,60,60,075	1,23,57,44,000
Depreciation and amortisation expense	25	4,09,61,313	3,04,83,995
Provisions and write offs	26	40,69,37,692	48,55,42,462
Other expenses	27	65,65,96,357	37,26,42,010
Total expenses		4,81,44,05,771	2,81,59,93,335
Profit before tax		1,53,20,89,475	45,41,82,529
Tax expense			
Current tax		45,85,24,667	20,26,04,393
Tax reversal for earlier periods		(1,05,50,358)	(9,97,617)
Deferred tax credit		(3,66,36,606)	(4,40,85,863)
Total tax expenses		41,13,37,703	15,75,20,913
Profit for the year		1,12,07,51,772	29,66,61,616
Earnings per equity share [EPES]	34		
Nominal value per share		10.00	10.00
Basic		12.30	3.35
Diluted		12.27	3.35

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

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

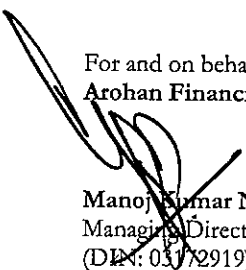


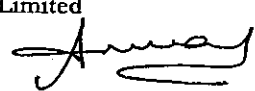
Anamitra Das
Partner
Membership No. 062191

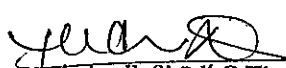
Place: Kolkata
Date: 15 May 2019

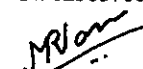


For and on behalf of Board of Directors of
Arohan Financial Services Limited

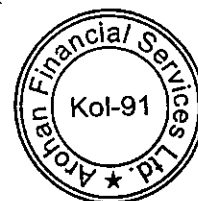

Manoj Kumar Nambiar
Managing Director
(DIN: 03172919)


Anurag Agrawal
Director
(DIN: 02385780)


Anirudh Singh G Thakur
Company Secretary


Milind Nare
Chief Financial Officer

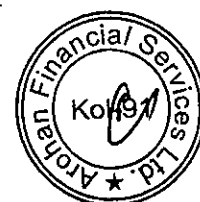
Place: Kolkata
Date: 15 May 2019



Arohan Financial Services Limited
(Formerly Arohan Financial Services Private Limited)
Cash Flow Statement for the year ended 31 March 2019
 (All amounts in ₹ unless otherwise stated)



	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	1,53,20,89,475	45,41,82,529
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	4,09,61,313	3,04,83,995
Provisions and write offs	40,69,37,692	48,55,42,462
Loss on foreign exchange fluctuation	-	6,364
Liabilities written back	-	(4,03,099)
Employee stock option compensation	1,47,122	19,87,222
Gain on sale of investments	(94,56,122)	(2,10,73,824)
Loss/ (gain) on sale of property, plant and equipment	1,048	(1,46,479)
Operating profit before working capital changes	1,97,06,80,528	95,05,79,170
Adjustment for changes in working capital:		
Increase in loans to customers	(14,58,11,33,285)	(11,58,55,25,115)
(Increase) / decrease in long-term loans and advances	18,87,298	(49,51,485)
Increase in short-term loans and advances	(3,23,58,260)	(7,06,77,397)
(Increase)/decrease in other non-current assets	(3,07,69,403)	2,48,53,769
Increase in other current assets	(25,51,74,538)	(13,94,99,208)
Increase in long-term provisions	5,90,38,704	9,27,60,920
Decrease in short-term provisions	(3,28,56,922)	(7,75,10,973)
(Increase)/decrease in margin money deposit (net)	(21,20,44,699)	4,88,82,651
Increase in other liabilities	1,01,17,68,175	36,67,44,975
Cash used in operating activities	(12,10,09,62,402)	(10,39,43,42,693)
Income taxes paid (net of refunds)	(47,95,27,513)	(19,69,38,885)
Net cash used in operating activities (A)	(12,58,04,89,915)	(10,59,12,81,578)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,43,60,175)	(3,80,63,402)
Purchase of intangible assets	(1,92,38,515)	(1,45,40,120)
Proceeds from sale of property, plant and equipment	43,847	3,58,060
Proceeds from purchase and sale of investments (net)	96,14,415	2,10,73,824
Net cash used in investing activities (B)	(4,39,40,428)	(3,11,71,638)



Arohan Financial Services Limited
(Formerly Arohan Financial Services Private Limited)
Cash Flow Statement for the year ended 31 March 2019
 (All amounts in ₹ unless otherwise stated)



	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Proceeds from issue of equity shares	1,93,58,55,453	10,01,525
Share issue expenses	(4,30,16,381)	-
Proceeds from long-term borrowings	20,96,22,80,000	13,65,42,50,000
Repayment of long-term borrowings	(10,16,14,39,478)	(4,93,35,69,281)
Proceeds from short-term borrowings (net)	8,59,06,255	1,64,09,21,844
Net cash generated from financing activities (C)	12,77,95,85,851	10,36,26,04,088
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,51,55,508	(25,98,49,128)
Cash and cash equivalents as at the beginning of the year	1,58,61,20,229	1,82,68,22,487
Add: Increase in cash and cash equivalents due to amalgamation	-	1,91,46,870
Cash and cash equivalents as at the end of the year (refer note 1)	1,74,12,75,737	1,58,61,20,229
Note 1:		
Cash and bank balances (Note 19)	2,07,78,41,106	1,77,90,33,776
Less: Other bank balances	33,65,65,369	19,29,13,547
Cash and cash equivalents considered for cash flow	1,74,12,75,737	1,58,61,20,229

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

For Walker Chandiok & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N/N500013

Anamitra Das
 Partner
 Membership No. 062191

Place: Kolkata
 Date: 15 May 2019



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

Manoj Kumar Nambiar
 Managing Director
 (DIN: 03113919)

Anirudh Singh G Thakur
 Company Secretary

Place: Kolkata
 Date: 15 May 2019

Anurag Agrawal
 Director
 (DIN: 02385780)

Milind Nare
 Chief Financial Officer



1 Corporate information

Arohan Financial Services Limited ("the Company" or "Arohan") is a company incorporated 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.

The Company has converted itself into a public limited company and changed its name to Arohan Financial Services Limited and has received a fresh certificate of incorporation dated 25 May 2018.

As a NBFC-MFI with headquarter in Kolkata, Arohan mainly operates in the low income states such as Bihar, Jharkhand, Odisha, Assam, West Bengal, Chattisgarh, Meghalaya, Uttar Pradesh, Madhya Pradesh etc. 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, Companies (Accounting Standards) Amendment Rules 2016 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 a NBFC-MFI Systemically Important Non Deposit taking Company (Reserve Bank) directions 2016 (as amended). 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 and the useful lives of property, plant and equipment.

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) Property, plant and equipment - tangible assets

Property, plant and equipment ("PPE") are stated at cost, net of accumulated depreciation. 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.

c) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization.

d) Depreciation/Amortization

Depreciation on PPE 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 01 April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act.

Computer software expenditure is amortized over a period of 5 years on straight line method.



e) Impairment of property, plant and equipment and intangible assets

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 in assessing value in use the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of time value of money and the risk specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. 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.

f) 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.

g) 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.

1) 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.

2) Loan processing fees income is recognized over the period of the loan on a straight-line basis.

3) Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.

4) Profit/loss on sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.

5) Securitization and direct assignment of loan portfolio

Profit / premium arising at the time of securitization of loan portfolio is amortized 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.

6) 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. Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying portfolio.

7) 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. When the grant of subsidy related to revenue is income on systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related cost, which are intended to compensate. Such grants are shown as other income.

8) All other income is recognised on an accrual basis.



h) 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 liability are recognised for all taxable timing differences. 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

i) 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 perceived and which does not disclose any problem nor carry more than normal risk business.
Non-performing asset	An asset for which, interest/principal payment has remained overdue for a period of 90 or more

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 (as amended), which requires the minimum provision for qualifying portfolio to be higher of (i) 1% of the outstanding loan portfolio or (ii) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more and management estimates of future losses, whichever is higher.

Loans and advances other than qualifying portfolio loans are provided for at the higher of management estimates and provision required as per the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended), ("the Master Directions").

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 the Master Directions.

j) Earnings 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.



k) 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.

Leave Encashment

Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the projected unit credit method. Actuarial losses/gains are recognized in the Profit and Loss Account in the year in which they arise.

Gratuity

Gratuity 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

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.

Termination benefit

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

l) Provisions, contingent liabilities and contingent assets

- 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.



m) 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.

n) 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.

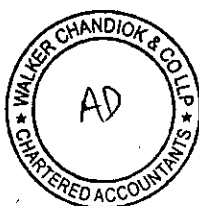
Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they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

o) 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.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with an original 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.



	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
4 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	11,24,53,320	1,12,45,33,200	11,24,53,320	1,12,45,33,200
	11,24,53,320	1,12,45,33,200	11,24,53,320	1,12,45,33,200
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each [refer note (a) below]	10,26,73,916	1,02,67,39,160	8,84,65,353	88,46,53,530
Less: Amount recoverable from ESOP trust	(15,12,508)	(1,51,25,080)	(2,41,000)	(24,10,000)
	10,11,61,408	1,01,16,14,080	8,82,24,353	88,22,43,530

(a) Reconciliation of Equity Share Capital

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each				
Balance at the beginning of the year	8,84,65,353	88,46,53,530	8,25,62,368	82,56,23,680
Less : Cancellation pursuant to the Scheme [refer Note (e) below]	-	-	(1,80,67,494)	(18,06,74,940)
Add : Shares issued pursuant to the Scheme [refer Note (e) below]	-	-	2,39,70,479	23,97,04,790
Add : Issued during the year (*)	1,42,08,563	14,20,85,630	-	-
Balance at the end of the year	10,26,73,916	1,02,67,39,160	8,84,65,353	88,46,53,530

(*) The Company during the year has issued 1,28,58,563 equity shares of ₹ 10 each on a private placement basis. Details of the issued shares are as follows:

Shareholders	No of shares	Issue price	Amount (₹)
Aavishkaar Venture Management Services Private Limited	30,34,685	146.81	44,55,22,105
Aavishkaar Venture Management Services Private Limited	9,21,375	162.80	14,99,99,850
Aavishkaar Capital Advisors LLP	71,82,603	146.81	1,05,44,77,946
Maj Invest Financial Inclusion Fund II	8,59,950	162.80	13,99,99,860
TR Capital III Mauritius	4,29,975	162.80	6,99,99,930
Rajesh Sachdeva	4,29,975	162.80	6,99,99,930

Further, the Company has also issued 6,00,000 and 7,50,000 equity shares of ₹ 10 each to Arohan ESOP trust at a premium of ₹ 120 and ₹ 152.80 each respectively for a total consideration of ₹ 78,00,00,00 and ₹ 12,21,00,000 respectively under the Arohan ESOP Scheme 2018 which has been netted off from issued share capital and securities premium as per the Guidance Note issued by ICAI.

(b) Terms and rights attached:

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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) No additional shares were allotted as fully paid-up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

(d) Details of shareholders holding more than 5% paid-up capital

	31 March 2019		31 March 2018	
	Number	%	Number	%
Equity shares of ₹ 10 each				
Aavishkaar Goodwill India Microfinance Development Company II Limited	1,85,39,529	18.06%	1,85,39,529	20.96%
Tano India Private Equity Fund II	1,69,14,279	16.47%	1,69,14,279	19.12%
Maj Invest Financial Inclusion Fund II	1,54,01,267	15.00%	1,45,41,317	16.44%
Aavishkaar Venture Management Services Private Limited	1,30,99,380	12.76%	91,43,320	10.34%
Intellectual Capital Advisory Services Pvt Ltd	1,23,54,499	12.03%	1,23,54,499	13.97%
TR Capital III Mauritius	97,18,722	9.47%	92,88,747	10.50%
Aavishkaar Capital Advisors LLP	71,82,603	7.00%	-	-



(e) **Scheme of Arrangement**

Pursuant to a Scheme of Arrangement ("the Scheme") under section 230 to 232 of the Act, sanctioned by the National Company Law Tribunal ("NCLT"), Kolkata Bench vide its order dated 26 March 2018 and NCLT, Mumbai Bench vide its order dated 09 March 2018, Intellectcash Microfinance Network Company Private Limited ("Transferor Company") merged with Arohan Financial Services Private Limited ("Transferee Company") with effect from 1 April 2017 ("Appointed Date"). The Scheme came into effect on 28 March 2018, the day on which both the order of the NCLT, Kolkata and Mumbai Bench were delivered to the Registrar of Companies. The investment held in the Transferee Company by the Transferor Company (1,80,67,494 equity shares of ₹ 10 each) have been cancelled (securities premium adjusted ₹ 5,66,79,154). The Transferee Company has issued 2,13,44 equity shares for every 1 share held in the Transferor Company to the shareholders of the Transferor Company aggregating to 2,39,70,479 equity shares of ₹ 10 each.

(f) **Employee stock option scheme ("ESOP Scheme")**

Arohan ESOP Trust ("ESOP Trust") was formed on 19 March 2010 to promote participation of the eligible employees of the Company 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 and 27 April 2018 (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 21,75,000 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.

	ESOP 2013 (Revised)	ESOP 2017	ESOP 2018
Date of Grant	1 July 2014	29 August 2017	16 May 2018
Date of Board approval	29 April 2014	19 May 2017	27 April 2018
Number of options granted	2,86,992	2,29,280	5,97,264
Method of settlement	Equity	Equity	Equity
Vesting period	12 months from date of Grant	12 months from date of Grant	36 months from date of Grant

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

	31 March 2019	31 March 2018
ESOP 2017		
Exercise price	84.70	84.70
Weighted average remaining contractual life (in years)	-	0.41
ESOP 2018		
Exercise price	130.00	-
Weighted average remaining contractual life (in years)	2.13	-

Reconciliation of stock options:

	ESOP 2013 (Revised)	ESOP 2017	ESOP 2018
Outstanding as at 1 April 2014	-	-	-
Stock option issued during the year	2,37,500	-	-
Exercised and vested	-	-	-
Forfeited	5,000	-	-
Outstanding as at 31 March 2015	2,32,500	-	-
Stock option issued during the year	-	-	-
Exercised and vested	47,500	-	-
Forfeited/lapsed	10,000	-	-
Outstanding as at 31 March 2016	1,75,000	-	-
Stock option issued during the year	-	-	-
Exercised and vested	1,35,000	-	-
Forfeited/lapsed	5,000	-	-
Outstanding as at 31 March 2017	35,000	-	-
Stock option issued during the year	49,492	2,29,280	-
Exercised and vested	35,000	-	-
Forfeited/lapsed	-	-	-
Outstanding as at 31 March 2018	49,492	2,29,280	-
Stock option issued during the year	-	-	5,97,264
Exercised and vested	48,492	30,000	-
Forfeited/lapsed	1,000	24,000	54,000
Outstanding as at 31 March 2019	-	1,75,280	5,43,264





	As at 31 March 2019	As at 31 March 2018
5 Reserves and surplus		
i) Securities premium reserve		
Balance at the beginning of the year	2,04,41,70,070	2,05,46,71,489
Add: Additions pursuant to the Scheme [refer Note 4(e)]	-	17,87,20,839
Add : Premium received on shares issued during the year	1,99,17,55,333	4,76,525
Less: Adjusted pursuant to the Scheme [refer Note 4(e)]	-	(18,40,78,484)
Add: Transferred from shares options outstanding account	22,21,245	3,93,225
Less: Amount recoverable from ESOP trust	(18,52,70,430)	(60,13,524)
Less: Share issue expense	(4,30,16,381)	-
Balance at the end of the year	3,80,98,59,837	2,04,41,70,070
ii) Share options outstanding account		
Balance at the beginning of the year	20,74,123	4,80,126
Add : Amount recorded on grants during the year	1,91,026	21,78,248
Less : Grants forfeited during the year	(43,904)	-
Less : Transferred to securities premium reserve	(22,21,245)	(3,93,225)
Less : Deferred stock compensation expense	-	(1,91,026)
Balance at the end of the year	-	20,74,123
iii) Statutory reserve		
Balance at the beginning of the year	20,28,26,787	13,22,28,414
Add: Additions pursuant to the Scheme [refer Note 4(e)]	-	1,12,66,050
Add : Transfer from Statement of Profit and Loss (*)	22,41,50,354	5,93,32,323
Balance at the end of the year	42,69,77,141	20,28,26,787
(*) In accordance with the provision of Section 45-IC of the Reserve Bank of India Act, 1934, the Company has transferred 20% of the profit after tax to the Statutory Reserve.		
iv) General reserve		
Balance at the beginning of the year	80,27,029	80,27,029
Less : Adjustment made during the year	-	-
Balance at the end of the year	80,27,029	80,27,029
v) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	65,91,12,182	39,36,23,446
Add: Additions pursuant to the Scheme [refer Note 4(e)]	-	2,81,59,443
Add : Profit for the year	1,12,07,51,772	29,66,61,616
Less : Transfer to Statutory reserve	(22,41,50,354)	(5,93,32,323)
Balance at the end of the year	1,55,57,13,600	65,91,12,182
Total Reserves and Surplus	5,80,05,77,607	2,91,62,10,191



6 Borrowings

	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
Secured				
Debentures	61,00,00,000	-	1,14,00,21,787	-
Term loans				
From banks	16,63,01,73,488	1,67,50,00,000	9,67,15,45,684	1,84,50,00,000
From others	8,01,91,84,485	-	3,97,01,41,904	-
Working capital facility from bank	-	75,25,67,330	-	49,66,61,075
	25,25,93,57,973	2,42,75,67,330	14,78,17,09,375	2,34,16,61,075
Unsecured				
Debentures	1,10,00,00,000	-	75,00,00,000	-
Term loan from banks	75,00,00,000	-	25,00,00,000	-
Term loan from others	-	-	50,00,00,000	-
Loans from related parties	4,49,990	-	2,72,58,066	-
	1,85,04,49,990	-	1,52,72,58,066	-
Total borrowings	27,10,98,07,963	2,42,75,67,330	16,30,89,67,441	2,34,16,61,075
Less: Current maturities of long-term borrowings	14,15,63,01,882	-	7,24,64,56,865	-
Total	12,95,35,06,081	2,42,75,67,330	9,06,25,10,576	2,34,16,61,075
Current maturities of long-term borrowings				
Debentures	35,00,00,000	-	21,788	-
Term loans				
From Banks	10,66,10,48,196	-	5,26,65,61,834	-
From Others	3,14,48,03,696	-	1,95,30,65,263	-
Loans and advances from related parties	4,49,990	-	2,68,07,980	-
	14,15,63,01,882	-	7,24,64,56,865	-

a) Terms and conditions of debentures issued

Name of Debenture Holder	Amount borrowed (₹)	Rate of Interest	Repayment Schedule
Secured debentures			
Blue Orchard Microfinance Fund for Asia (MIFA) Debt Fund SA, SICAV-SIF (Face Value ₹10,00,000)	26,00,00,000	14.30%	Bullet Repayment in April 2020
Hinduja Leyland Finance Limited (Face Value ₹10,00,000)	35,00,00,000	11.49%	Bullet Repayment in December 2019
Unsecured debentures			
IFMR Capital Finance Private Limited (Face Value ₹ 20,00,000)	10,00,00,000	14.25%	Bullet Repayment in September 2022
Debenture Northern Arc (Face Value ₹ 10,00,000)	65,00,00,000	13.50%	Bullet Repayment in April 2025
Northern Arc Capital Limited (Face Value ₹ 10,00,000)	35,00,00,000	13.50%	Bullet Repayment in september 2025

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 loans carries interest in the range of 7.35% per annum to 13.75% per annum (31 March 2018 : 7% to 13.5% per annum). Non-convertible debentures 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 1.1:1 in favour of the trustees for the benefit of the debenture holders.

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

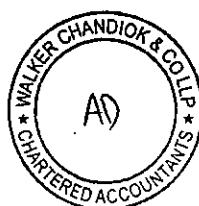
Short-term secured loans from banks and financial institutions are secured by hypothecation of loan portfolio, in addition to the fixed deposits being held as collateral security and are repayable in 12 or less than 12 monthly installments. The short term loans carry interest in the range of 9.50% per annum to 10.75% per annum (31 March 2018 : 9.50% to 10.35% per annum).

d) There have been no defaults in repayment of debentures or any installments of term loan taken from banks and others.



e) Repayment details of long-term borrowings are as below:

Repayment schedule	Interest rate	Non Current		Current	
		No. of installment	Amount	No. of installment	Amount
Term loan from banks:					
Monthly repayment schedule	9% to 10%	-	-	11	26,19,04,762
		-	-	6	2,50,00,000
	10% to 11%	-	-	12	15,00,00,000
		5	4,12,08,173	12	10,01,08,757
		-	-	12	5,00,00,000
		-	-	2	38,88,904
		-	-	12	37,50,00,000
		-	-	12	37,50,00,000
		-	-	11	25,00,00,008
		9	10,71,42,857	12	14,28,57,143
		11	7,85,71,429	10	7,14,28,571
		12	5,71,42,857	9	4,28,57,143
		12	1,00,00,00,000	12	1,00,00,00,000
		-	-	7	4,37,50,000
		-	-	8	3,33,33,333
		4	1,66,66,667	12	5,00,00,000
		5	6,04,16,667	12	14,50,00,000
		10	15,62,50,000	12	18,75,00,000
		10	4,58,33,333	12	5,50,00,000
		-	-	1	23,80,952
		-	-	4	95,23,810
		-	-	7	3,33,33,333
		21	29,16,66,667	12	16,66,66,667
		-	-	12	9,50,00,092
		-	-	12	11,00,00,000
		3	3,50,00,000	12	14,00,00,000
		-	-	9	22,50,00,000
		-	-	10	8,33,33,333
	11% to 12%	-	-	3	71,42,864
		-	-	3	5,71,42,858
		12	8,18,89,057	12	8,40,00,000
		-	-	3	1,81,81,820

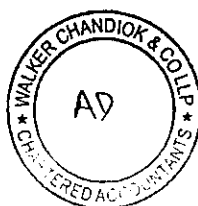




Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

Repayment schedule	Interest rate	Non Current		Current	
		No. of installment	Amount	No. of installment	Amount
Quarterly repayment schedule	9% to 10%	3	2,50,00,003	4	3,33,33,332
		-	-	4	14,28,57,150
		-	-	3	19,28,57,140
		-	-	2	3,25,00,000
		-	-	4	10,26,25,000
		3	9,98,55,661	4	13,33,33,336
		6	24,99,36,738	4	16,66,63,496
		1	2,50,00,000	4	10,00,00,000
	10% to 11%	3	18,75,00,000	4	25,00,00,000
		2	14,28,57,145	4	28,57,14,284
		4	28,57,14,287	3	21,42,85,713
		4	14,28,57,143	3	10,71,42,857
		3	21,42,85,716	4	28,57,14,284
		1	7,14,28,583	4	32,14,28,571
		2	14,28,57,143	4	28,57,14,286
		3	10,71,42,857	4	14,28,57,143
		4	28,57,14,286	3	21,42,85,714
		4	14,28,57,143	3	10,71,42,857
		4	6,29,00,000	4	6,12,00,000
		4	8,14,00,000	4	7,92,00,000
		4	74,00,000	4	72,00,000
		4	74,00,000	4	72,00,000
		4	1,85,00,000	4	1,80,00,000
		4	74,00,000	4	72,00,000
		3	26,89,80,000	4	35,86,40,000
		2	18,75,00,000	4	37,50,00,000
		1	1,75,73,084	4	7,10,74,356
		-	-	4	30,00,00,000
		-	-	4	20,00,00,000
		2	6,25,00,000	4	12,50,00,000
		4	12,50,00,000	4	12,50,00,000
		-	-	4	12,42,11,003
		6	35,50,00,000	4	23,60,00,000
		14	19,44,44,464	12	16,66,66,656
	11% to 12%	-	-	4	18,50,00,000
		-	-	4	2,00,00,000
		-	-	4	6,00,00,000
		1	2,00,00,000	4	8,00,00,000
		2	8,33,33,333	4	16,66,66,667
		4	37,50,00,000	4	37,50,00,000
Bullet repayment schedule	11% to 12%	1.00	25,00,00,000.00	-	-
	13% to 14%	1.00	50,00,00,000.00	-	-
Total term loan from banks			6,71,91,25,292		10,66,10,48,196



Arohan Financial Services Limited
(Formerly Arohan Financial Services Private Limited)



AROHAN

AAVISHKAAR-INTELLECAP ENTERPRISE

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

Repayment schedule	Interest rate	Non Current		Current	
		No. of installment	Amount	No. of installment	Amount
Term loan from others:					
Monthly repayment schedule	9% to 10%	8	8,02,96,576	12	11,04,23,811
		7	1,41,12,584	12	2,22,77,996
	12% to 13%	5	8,98,97,875	12	19,79,46,019
		6	12,27,28,933	12	22,40,51,546
	13% to 14%	-	-	2	77,08,988
Quarterly repayment schedule	10% to 11%	-	-	2	77,68,074
		-	-	3	19,97,29,218
		-	-	3	9,98,64,315
		6	40,41,11,480	4	23,65,17,060
Half Year repayment schedule	7% to 8%	9	14,00,00,000	12	18,00,00,000
		19	39,30,00,000	10	20,70,00,000
	10% to 11%	6	8,25,00,000	2	9,90,00,000
		6	26,80,00,000	2	20,10,00,000
		9	15,14,00,000	12	19,92,00,000
		4	4,80,00,000	2	10,20,00,000
	11% to 12%	4	3,20,00,000	2	6,80,00,000
		7	1,10,00,00,000	2	60,00,00,000
		-	-	12	4,94,00,000
		23	95,83,33,341	7	29,16,66,669
Bullet repayment schedule	10% to 11%	-	-	5	4,12,50,000
		1	99,00,00,000	-	-
Total term loan from others			4,87,43,80,789	3,14,48,03,696	
Term loan from related party:					
Monthly repayment schedule	17% to 18%	-	-	1	4,49,990
Total term loan from related party			-	4,49,990	
Grand Total			11,59,35,06,082	13,80,63,01,882	



7 Other long-term liabilities

	As at 31 March 2019	As at 31 March 2018
Unamortised loan processing fees	9,07,30,410	3,83,33,638
Unrealised gain on loan transfer transactions	4,10,723	28,38,289
Advance from customers	4,72,94,030	-
	13,84,35,163	4,11,71,927

	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
Contingent provision against standard assets	4,85,49,378	14,53,35,157	13,13,324	49,19,402
Provision for non-performing assets	23,09,63,611	-	26,48,27,821	-
Provision for employee benefits				
Gratuity (refer note 11)	2,28,64,864	-	1,82,55,852	-
Compensated absences	96,06,000	1,98,98,000	24,12,362	55,18,868
	31,19,83,853	16,52,33,157	28,68,09,359	1,04,38,270

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 2019, 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 2019	As at 31 March 2018
Current maturities of long-term borrowings	14,15,63,01,882	7,24,64,56,865
Interest accrued and due on borrowings (*)	78,60,945	61,40,586
Interest accrued but not due on borrowings	22,00,68,768	11,30,79,746
Statutory dues	3,91,81,754	2,54,19,770
Payable on account of securitisation/ assignment	72,26,85,545	23,33,53,689
Unrealised gain on loan transfer transactions	3,08,01,376	3,44,87,560
Employee dues	11,27,29,185	5,40,06,699
Unamortised loan processing fees	24,97,15,349	15,27,25,787
Liabilities for expenses	12,02,30,438	6,64,20,693
Unamortised profit on buyout transactions	-	24,38,379
Capital creditors	24,56,527	7,10,616
Security deposit	27,67,386	14,87,500
Advance from customers	1,04,01,200	-
Other payables	14,90,41,802	6,38,45,966
	15,82,42,42,157	8,00,05,73,856

(*) represents amount deducted by bank in subsequent month inspite of amount being duly funded on the due date.



Arohan Financial Services Limited
(Formerly 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 2019 and recognised in the financial statements in respect of Employee Benefit Schemes (gratuity):

	As at 31 March 2019	As at 31 March 2018
i) Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	1,96,73,787	1,30,56,726
Service cost	40,02,000	31,49,478
Interest cost	13,93,000	8,44,542
Actuarial loss (net)	1,16,08,443	53,09,534
Benefits paid	(16,90,230)	(26,86,493)
Projected benefit obligation at the end of the year	3,49,87,000	1,96,73,787
ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	14,17,895	33,99,969
Expected return on plan assets	4,83,000	2,03,052
Employer contributions	1,19,11,438	5,01,367
Benefits paid	(16,90,230)	(26,86,493)
Fair value of plan assets at the end of the year	1,21,22,103	14,17,895
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	3,49,87,000	1,96,73,787
Funded status of the plans	(1,21,22,103)	(14,17,895)
Liability recognised in the balance sheet	2,28,64,897	1,82,55,892
iv) Components of employer expenses		
Service cost	40,02,000	31,49,478
Interest cost	13,93,000	8,44,542
Expected returns on plan assets	(4,83,000)	(2,03,052)
Recognized net actuarial loss	1,16,08,443	53,09,534
Total expense recognised in the Statement of profit and loss	1,65,20,443	91,00,502

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

v) Key actuarial assumptions

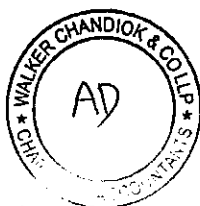
Discount rate	7.30%	7.40%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%
Withdrawal rates	1st 5 years of service 52% more than 5 years of service 1%	

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards. The estimates of future salary increase 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	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Defined benefit obligation	3,49,87,000	1,96,73,787	1,30,56,726	81,85,618	58,52,178
Plan assets	1,21,22,103	14,17,895	33,99,969	10,83,981	26,10,949
Deficit	2,28,64,897	1,82,55,892	96,56,757	71,01,637	32,41,229
Net actuarial loss recognized	1,16,08,443	53,09,534	54,66,618	38,41,793	33,57,191

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 ₹ 4,34,87,776 (31 March 2018: ₹ 3,57,43,928).



Arohan Financial Services Limited

(Formerly Arohan Financial Services Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

12 Property, plant and equipment - tangible assets

	Furniture and fixtures	Computer and accessories	Office equipment	Total
Gross block :				
Balance as at 1 April 2017	1,69,41,013	3,24,56,475	41,39,766	5,35,37,254
Additions	1,27,40,993	2,41,03,449	33,16,975	4,01,61,417
Disposals	-	(6,85,103)	-	(6,85,103)
Balance as at 31 March 2018	2,96,82,006	5,58,74,821	74,56,741	9,30,13,568
Additions	86,73,756	1,92,31,339	82,00,991	3,61,06,086
Disposals	(13,136)	(6,18,048)	(2,200)	(6,33,384)
Balance as at 31 March 2019	3,83,42,626	7,44,88,112	1,56,55,532	12,84,86,270
Accumulated depreciation :				
Up to 31 March 2017	88,13,923	1,64,51,340	22,99,726	2,75,64,989
Depreciation charge	19,36,310	1,24,13,414	10,26,411	1,53,76,135
Adjustment pursuant to amalgamation	19,353	5,96,696	9,404	6,25,453
Reversal on disposal of assets	-	(4,73,522)	-	(4,73,522)
Up to 31 March 2018	1,07,69,586	2,89,87,928	33,35,541	4,30,93,055
Depreciation charge	32,89,622	1,79,95,817	46,06,733	2,58,92,172
Reversal on disposal of assets	(13,136)	(5,88,400)	(2,200)	(6,03,736)
Up to 31 March 2019	1,40,46,072	4,63,95,345	79,40,074	6,83,81,491
Net block				
Balance as at 31 March 2018	1,89,12,420	2,68,86,893	41,21,200	4,99,20,513
Balance as at 31 March 2019	2,42,96,554	2,80,92,767	77,15,458	6,01,04,779

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

13 Intangible assets

Gross block

Balance as at 1 April 2017
Additions
Balance as at 31 March 2018
Additions
Reversal on disposal of assets
Balance as at 31 March 2019

Accumulated amortisation

Up to 31 March 2017
Amortization charge
Up to 31 March 2018
Amortization charge
Reversal on disposal of assets
Up to 31 March 2019

Net block

Balance as at 31 March 2018
Balance as at 31 March 2019

Computer Software	Total
3,74,29,277	3,74,29,277
4,51,18,120	4,51,18,120
8,25,47,397	8,25,47,397
1,87,09,865	1,87,09,865
(21,917)	(21,917)
10,12,35,345	10,12,35,345
1,40,27,910	1,40,27,910
1,51,07,860	1,51,07,860
2,91,35,770	2,91,35,770
1,50,69,141	1,50,69,141
(6,671)	(6,671)
4,41,98,240	4,41,98,240
5,34,11,627	5,34,11,627
5,70,37,105	5,70,37,105

14 Investments

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
In equity instruments (non-trade, unquoted)				
50,000 (31 March 2018: 50,000) equity shares of ₹ 10 each fully paid in Alpha Micro Finance Consultant Private Limited	5,00,000	-	5,00,000	-
In mutual funds (non-trade, unquoted)				
95 units of ₹ 10 each fully paid-up of Axis Liquid Institutional Fund	-	-	-	1,58,296
Aggregate amount of unquoted investments	5,00,000	-	5,00,000	1,58,296

15 Deferred tax assets (net)

Deferred tax assets

On account of provision for standard and non performing assets
On disallowances of expenses allowed on payment basis
On others

Deferred tax liabilities

On difference between written down value of property, plant and equipment and intangible assets as per books and as per income tax
--

Deferred tax assets (net)

As at 31 March 2019	As at 31st March 2018
9,88,85,517	7,48,40,840
1,82,99,777	91,50,814
43,94,217	8,32,655
12,15,79,511	8,48,24,309
(64,32,171)	(63,13,575)
11,51,47,340	7,85,10,734



16 Loan to customers

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Portfolio loans				
Joint liability group and Individual loans:				
Unsecured, considered good(*)	7,88,56,23,567	23,78,81,12,267	4,01,92,71,163	15,21,13,06,548
Unsecured, considered doubtful(**)	14,74,68,099	-	24,45,51,561	-
Loans to other NBFCs:				
Secured, considered good(#)	80,18,21,880	93,55,42,256	17,71,76,538	16,52,55,625
Other retail loans:				
Unsecured, considered good	23,05,68,443	1,03,08,38,054	6,18,39,639	67,58,09,552
Unsecured, considered doubtful	8,34,95,512	-	2,02,76,260	-
	9,14,89,77,501	25,75,44,92,577	4,52,31,15,161	16,05,23,71,725

(*) Represents standard assets classified in accordance with the Master Directions.

(**) Represents non-performing assets classified in accordance with the Master Directions.

(#) Secured by hypothecation of pool of underlying assets financed there against.

17 Loans and advances

(Unsecured, considered good, unless otherwise stated)

	As at 31 March 2019		As at 31st March 2018	
	Long-term	Short-term	Long-term	Short-term
Security deposits	72,37,860	1,43,38,683	91,25,158	1,57,77,670
Advance tax (net of provision)	3,23,90,050	-	8,36,846	-
Advances to employees	-	3,20,82,833	-	2,23,60,155
Other receivables	-	10,94,75,160	-	7,87,54,411
Advances recoverable on behalf of business correspondent arrangements	-	1,02,25,970	-	1,68,72,150
	3,96,27,910	16,61,22,646	99,62,004	13,37,64,386



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18 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Bank deposits with maturity of more than 12 months [refer (a) below]	50,78,69,210	43,94,76,333
Interest receivable on loan transfer transactions	4,10,723	28,38,289
Interest accrued on fixed deposits	2,08,47,617	98,96,042
Prepaid expenses	1,03,915	11,63,396
Unamortised loan processing charges on borrowed funds	5,87,97,174	4,18,49,605
Unamortised sourcing expenses	47,45,752	8,16,012
	59,27,74,391	49,60,39,677

(a) Includes deposits aggregating to ₹ 50,78,69,210 (31 March 2018: ₹ 43,94,76,333) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with asset securitisation transactions.

19 Cash and bank balances

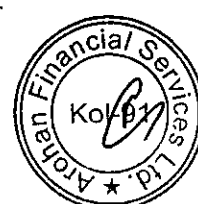
	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balances with banks		
- in current accounts	59,52,45,049	84,92,23,475
- in deposit accounts (with original maturity upto 3 months) [refer (a) below]	1,10,21,55,209	69,00,00,000
Cash in hand	4,38,75,479	4,68,96,754
	1,74,12,75,737	1,58,61,20,229
Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months [refer (a) below]	33,65,65,369	19,29,13,547
Total	2,07,78,41,106	1,77,90,33,776

(a) Includes deposits aggregating to ₹ 33,87,20,578 (31 March 2018: ₹ 19,08,38,778) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

20 Other current assets

	As at 31 March 2019	As at 31 March 2018
Accrued interest on loan to customers	36,45,03,632	22,85,78,383
Prepaid expenses	1,05,12,951	18,63,970
Unamortised sourcing expenses	2,42,85,294	1,31,31,938
Interest receivable on loan transfer transactions	3,08,01,376	3,44,87,560
Unamortised loan processing charges on borrowed funds	6,08,35,261	4,15,53,147
Interest accrued on fixed deposits	1,53,35,900	1,63,05,092
Interest strip on securitisation/ assignment transactions	11,37,31,009	2,89,10,795
	62,00,05,423	36,48,30,885

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	Year ended 31 March 2019	Year ended 31 March 2018
21 Revenue from operations		
Interest on loan to customers	5,36,77,99,116	2,85,70,48,780
Income from loan processing fee	34,04,04,580	15,83,03,577
Income from securitisation/assignment	31,10,66,707	4,63,71,429
Insurance commission	7,50,04,997	2,58,97,067
Other operating revenues [refer (a) below]	21,60,04,883	12,92,73,273
	6,31,02,80,283	3,21,68,94,126

(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 ₹ 3,97,15,874 (31 March 2018 ₹ 2,46,50,720).

22 Other income

Interest income on fixed deposits	2,13,02,436	1,88,43,215
Gain on sale of current investments	94,56,122	2,10,73,824
Gain on sale of property, plant and equipment	-	1,46,479
Sundry balances written back	-	4,03,099
Grant received	8,85,765	50,89,272
Gain on foreign exchange fluctuation	22,238	-
Miscellaneous income	45,48,402	77,25,849
	3,62,14,963	5,32,81,738

23 Employee benefits expense

Salaries and bonus/ allowances	1,04,82,12,964	62,08,04,286
Contribution to provident and other funds	6,85,03,981	5,06,05,487
Employee stock option compensation	1,47,122	19,87,222
Staff welfare expenses	5,69,86,267	1,81,83,873
	1,17,38,50,334	69,15,80,868

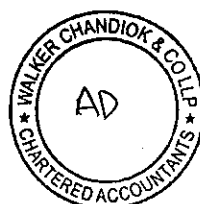
The Hon'ble supreme court has in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the provident fund contribution. Management believes that there are numerous interpretative issues on inclusion of special allowances for the purpose of provident fund contribution as well as its applicability of effective date. While the Company is evaluating the implications of the order, the amount is not determinable as no reliable estimate can be made

24 Finance costs

Interest expenses	2,43,56,57,501	1,18,05,25,412
Other borrowing costs	10,04,02,574	5,52,18,588
	2,53,60,60,075	1,23,57,44,000

25 Depreciation and amortisation expense

Depreciation on property, plant and equipment - tangible assets (Refer note 12)	2,58,92,172	1,53,76,135
Amortisation of intangible assets (Refer note 13)	1,50,69,141	1,51,07,860
	4,09,61,313	3,04,83,995





	Year ended 31 March 2019	Year ended 31 March 2018
26 Provisions and write off		
Bad debt written off	25,31,50,093	34,18,10,286
Provision for loan portfolio on standard assets (net of reversals)	18,76,51,809	(8,47,91,621)
Provision for loan portfolio on sub-standard assets (net of reversals)	(3,38,64,210)	22,85,23,797
	<u>40,69,37,692</u>	<u>48,55,42,462</u>
27 Other expenses		
Rent	9,71,67,052	5,85,66,094
Repairs and maintenance-others	4,06,15,818	1,78,00,042
Insurance	1,63,80,146	1,01,75,891
Power and fuel	1,05,77,608	66,86,031
Rates and taxes	5,33,68,473	1,88,53,346
Office expenses	1,67,06,996	1,58,02,482
Membership and subscription	48,37,347	55,26,817
Office maintenance	2,08,34,281	1,22,15,947
Printing and stationery	2,39,13,711	1,39,68,668
Legal and professional expenses	17,89,70,860	8,45,33,508
Director's commission	1,00,00,000	-
Recruitment and induction expenses	2,16,03,929	1,36,45,581
Communication expenses	1,00,76,633	1,52,20,686
Travelling and conveyance	13,73,27,442	8,67,26,091
Payment to auditors [Refer note (a) below]	43,14,200	31,95,279
Loss on foreign exchange fluctuation	-	6,364
Loss on sale of property, plant and equipment	1,048	-
Corporate social responsibility expenses (refer note 36)	79,73,850	61,51,871
Miscellaneous expenses	19,26,963	35,67,312
	<u>65,65,96,357</u>	<u>37,26,42,010</u>
(a) Payments to auditors		
Statutory audit	27,50,000	27,50,000
Tax audit(*)	1,28,100	1,03,700
In other capacity		
Other services (**)	11,33,600	1,85,000
Reimbursement of expenses	3,02,500	1,56,579
	<u>43,14,200</u>	<u>31,95,279</u>

(*) done by other auditors

(**) ₹ 1,33,600 pertains to services provided by other auditors

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28 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name
Key Management Personnel (KMP)	Manoj Kumar Narayan Nambiar - Managing Director Milind Ramchandra Nare - Chief Financial Officer Anirudh Singh G Thakur (appointed on 23 October 2017) - Company Secretary Vanita Mundhra (resigned wef 23 October 2017) - Company Secretary
Director	Dinesh Kumar Mittal (Independent Director) Vineet Chandra Rai (Director) Anurag Agarwal (Director) Matangi Gowrishankar (Independent Director) Rajat Mohan Nag (Independent Director) Sumantra Banerjee (Independent Director)
Entities which are able to exercise control or have significant influence	Intellectual Capital Advisory Services Private Limited Aavishkaar Goodwell India Microfinance Development Company-II Limited Tano India Private Equity Fund II
Entities under common control	Jain Sons Finlease Limited Aavishkaar Venture Management Services Private Limited Aavishkaar Capital Advisory LLP Intellectap Advisory Services Private Limited
Enterprise over which KMP have significant influence or control	Tribetech Private Limited Anudip Foundation

b) Transactions with related parties

	Year ended 31 March 2019	Year ended 31 March 2018
Issue of equity shares (including share premium)		
Aavishkaar Venture Management Services Private Limited	59,55,21,955	42,61,550
Intellectual Capital Advisory Services Private Limited	-	12,35,44,990
Aavishkaar Goodwell India Microfinance Development Company-II Limited	-	10,12,78,050
Aavishkaar Capital Advisors LLP	1,05,44,77,946	-
Portfolio buyout		
Jain Sons Finlease Limited	-	12,04,956
Loan taken		
Jain Sons Finlease Limited	-	5,97,81,873
Aavishkaar Venture Management Services Private Limited	1,50,00,00,000	-
Loan repaid		
Jain Sons Finlease Limited	2,68,08,076	3,25,23,807
Aavishkaar Venture Management Services Private Limited	1,50,00,00,000	-
Security deposit received		
Tribetech Private Limited	14,32,503	14,87,500
Security deposit invoked		
Tribetech Private Limited	29,53,379	-
Purchase of property, plant and equipment		
Jain Sons Finlease Limited	-	47,49,394
Interest paid		
Jain Sons Finlease Limited	16,11,928	81,16,893
Aavishkaar Venture Management Services Private Limited	1,75,19,179	-
Corporate social responsibility expenses		
Anudip Foundation	-	9,00,000



Arohan Financial Services Limited
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	Year ended 31 March 2019	Year ended 31 March 2018
Professional/ business support fees		
Aavishkaar Venture Management Services Private Limited	31,62,738	5,67,071
Tribetech Private Limited	55,50,495	15,86,188
Intellectap Advisory Services Private Limited	6,92,886	35,79,767
Loan processing charges		
Jain Sons Finlease Limited	-	96,750
Reimbursement of expenses paid		
Tribetech Private Limited	3,02,960	1,65,447
Intellectap Advisory Services Private Limited	2,63,013	2,72,488
Aavishkaar Venture Management Services Private Limited	3,70,795	34,542
Reimbursement of expenses received		
Intellectap Advisory Services Private Limited	57,600	-
Aavishkaar Venture Management Services Private Limited	2,51,339	-
Tribetech Private Limited	4,25,000	-
Director's commission		
Dinesh Kumar Mittal	25,00,000	-
Vineet Chandra Rai	25,00,000	-
Anurag Agrawal	15,00,000	-
Matangi Gowrishankar	15,00,000	-
Rajat Mohan Nag	10,00,000	-
Sumantra Banerjee	10,00,000	-
Remuneration		
Manoj Kumar Natayan Nambiar	1,39,84,899	1,12,50,006
Milind Ramchandra Nare	82,05,789	68,93,311
Anirudh Singh G Thakur	55,73,857	19,88,950
Vanita Mundhra	-	5,28,684
c) Year-end balances with related parties	As at	As at
	31st March 2019	31 March 2018
Loans taken		
Jain Sons Finlease Limited (including interest due)	4,67,631	2,72,58,066
Security deposit refundable		
Tribetech Private Limited	-	14,87,500
Security deposit receivable		
Tribetech Private Limited	33,376	-
Other payables		
Tribetech Private Limited	6,22,881	8,96,923
Anudip Foundation	-	1,80,000
Intellectap Advisory Services Private Limited	10,208	-
Dinesh Kumar Mittal	25,00,000	-
Vineet Chandra Rai	25,00,000	-
Anurag Agrawal	15,00,000	-
Matangi Gowrishankar	15,00,000	-
Rajat Mohan Nag	10,00,000	-
Sumantra Banerjee	10,00,000	-



Arohan Financial Services Limited
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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 2019	31 March 2018
Capital to Risk/Weighted Assets Ratio (CRAR) (%)	20.05%	23.63%
CRAR-Tier I Capital (%)	15.86%	16.81%
CRAR-Tier II Capital (%)	4.19%	6.82%
Amount of subordinated debt raised as Tier-II Capital	35,00,00,000	1,15,00,00,000
Amount raised by issue of Perpetual Debt Instruments	-	-

ii) Investments

	31 March 2019	31 March 2018
A. Value of Investments		
Gross Value of Investments:		
a) In India	5,00,000	6,58,296
b) Outside India	-	-
Provisions for Depreciation:		
a) In India	-	-
b) Outside India	-	-
Net Value of Investments		
a) In India	5,00,000	6,58,296
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 2019	31 March 2018
A) Securitisation		
1) No. of SPVs sponsored by the NBFC for securitisation transactions	1	1
2) Total amount of securitised assets as per books of the SPVs sponsored	65,58,43,568	40,12,11,368
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	13,11,68,714	4,27,12,743
(ii) Others	-	-
b) On-balance sheet exposures		
(i) First loss	-	8,02,42,274
(ii) Others	-	-



	31 March 2019	31 March 2018
4) Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
Credit enhancements provided and outstanding (Gross):		
Principal collateralisation	-	4,45,79,041
Interest collateralisation	-	4,27,12,743
Corporate guarantee	13,11,68,714	
Cash collateral	-	3,56,63,233

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

	31 March 2019	31st March 2018
i) Number of accounts	4,44,506	51,074
ii) Aggregate value (net of provision) of account sold	7,38,10,41,989	48,44,72,045
iii) Aggregate consideration	7,38,10,41,989	48,44,72,045
iv) Additional consideration realized in respect of accounts transferred in earlier year	-	-
v) Aggregate gain/ loss over net book value	-	-

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 - refer Note 16.

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) and Corporate Identity Number of U74140WB1991PLC053189 under Ministry of Corporate affairs.

B) Disclosure of Penalties imposed by RBI and other regulators

An amount of ₹ 10,18,080 has been paid to Reserve Bank of India towards late submission fees of FCGPR under Foreign Exchange Management Act, 1999 (as amended)

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 29 March 2019 and migration of ratings during the year are as follows:

Facilities	Ratings	Remarks
Long-term Bank facilities	CARE A-	Reaffirmed
Non-Convertible Debentures	CARE A-	Reaffirmed
Unsecured Subordinated Tier II Debt	CARE A-	Reaffirmed

E) Remuneration of Directors (other than Managing Director) (refer note 28)

Name of Directors	31 March 2019	31 March 2018
Dinesh Kumar Mittal	25,00,000	-
Vineet Chandra Rai	25,00,000	-
Anurag Agrawal	15,00,000	-
Matangi Gowrishankar	15,00,000	-
Rajat Mohan Nag	10,00,000	-
Sumantra Banerjee	10,00,000	-

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 2019	31 March 2018
Provision towards standard assets (refer note 26)	18,76,51,809	(8,47,91,621)
Provision towards non performing assets (refer note 26)	(3,38,64,210)	22,85,23,797
Provision made towards Income tax (including for earlier year)	44,79,74,309	20,16,06,776
Other Provision and Contingencies (employee benefits)	2,61,81,782	1,66,96,686



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

a) Concentration of Advances

	31 March 2019	31 March 2018
Total Advances to twenty largest borrowers	1,74,73,64,133	43,51,74,257
Percentage of Advances to twenty largest borrowers to Total Advances	5.01%	2.12%

b) Concentration of Exposures

	31 March 2019	31 March 2018
Total exposure to twenty largest borrowers/customers	1,74,73,64,133	43,51,74,257
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	5.01%	2.12%

c) Concentration of NPAs

Total exposure to top four NPA accounts	1,38,36,617	92,11,299
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d) Sector-wise NPAs

**Percentage of NPAs to Total Advances
in that sector**

Agriculture & allied activities	0.28%
MSME	Nil
Corporate borrowers (*)	Nil
Services	2.71%
Unsecured personal loans	2.28%
Auto loans	Nil
Other personal loans	Nil

(*) Corporate borrowers are included in the respective sector.

e) Movement of NPAs

	31 March 2019	31 March 2018
i) Net NPAs to Net Advances (%)	0.00%	0.00%
ii) Movement of NPAs (Gross)		
a) Opening Balance	26,48,27,821	3,26,32,176
b) Additions during the year	34,47,70,141	64,45,93,640
c) Reductions during the year	37,86,34,351	41,23,97,995
d) Closing balance	23,09,63,611	26,48,27,821
iii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	26,48,27,821	3,26,32,176
b) Provisions made during the year	34,47,70,141	64,45,93,640
c) Write-off/write-back of excess provisions	37,86,34,351	41,23,97,995
d) Closing balance	23,09,63,611	26,48,27,821



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.

ix) Disclosure of customer complaints

	31 March 2019	31 March 2018
a) No. of complaints pending at the beginning of the year	74	110
b) No. of complaints received during the year	766	690
c) No. of complaints redressed during the year	806	726
d) No. of complaints pending at the end of the year	34	74

x) Information on instances of fraud identified during the year

	31 March 2019	31 March 2018
Nature of fraud		
Cash embezzlement		
No. of cases	9	4
Amount of fraud	27,59,988	14,49,185
Recovery	10,61,472	75,000
Amount provided for	16,98,516	13,74,185
Loans given against fictitious documents		
No. of cases	1	-
Amount of fraud	4,98,000	-
Recovery	-	-
Amount provided for	4,98,000	-
Others (Snatching etc.)		
No. of cases	32	17
Amount of fraud	39,89,383	23,01,791
Recovery	8,10,731	-
Amount provided for	31,78,652	23,01,791

xi) Information on net interest margin (qualifying asset)

Particulars	31 March 2019	31 March 2018
Average Interest (a)	20.89%	22.11%
Average effective cost of borrowing (b)	10.94%	12.45%
Net Interest margin (a-b)	9.95%	9.66%

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

30 Asset Liability Management

Maturity pattern of assets and liability as on 31 March 2019

Particulars	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 (with banks)	1,10,84,26,638	2,76,21,566	4,07,68,202	4,92,15,367	21,26,88,805	50,78,69,210	-	-	1,94,65,89,788
Advances (Micro Finance Portfolio)	2,30,69,24,657	2,34,15,44,768	2,29,16,41,571	6,57,21,94,522	10,27,58,06,749	8,03,30,91,667	-	-	31,82,12,03,934
Advances (Other than Micro Finance)	16,61,93,925	17,45,10,654	16,27,58,180	51,25,96,276	95,03,21,275	1,11,58,85,834	-	-	3,08,22,66,144
Investments	-	-	-	-	-	-	-	-	-
Borrowings	1,77,46,25,322	97,71,66,428	1,22,77,76,718	4,63,94,76,341	7,96,48,24,404	9,91,68,06,080	1,53,67,00,000	5,00,000	29,53,73,75,293
Foreign Currency assets	-	-	-	-	-	-	-	1,50,00,00,000	1,50,00,00,000
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Maturity pattern of assets and liability as on 31 March 2018

Particulars	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 (with banks)	69,70,00,000	1,87,06,027	56,59,119	6,06,73,923	10,08,74,478	37,66,19,193	6,28,57,140	-	1,32,23,89,880
Advances (Micro Finance Portfolio)	1,50,85,51,499	1,54,71,34,176	1,48,82,03,950	4,27,84,44,499	6,44,96,12,943	4,20,31,82,205	-	-	19,47,51,29,272
Advances (Other than Micro Finance)	8,59,90,376	8,37,25,231	8,08,45,595	24,22,77,809	34,82,26,167	25,92,92,437	-	-	1,10,03,57,615
Investments	1,58,296	-	-	-	-	-	-	-	1,58,296
Borrowings	99,14,37,168	67,37,70,943	72,25,81,957	2,94,92,64,103	4,25,10,63,769	7,06,63,38,371	59,61,72,205	5,00,000	18,65,06,28,516
Foreign Currency assets	-	-	-	-	-	-	-	1,40,00,00,000	1,40,00,00,000
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.



AROHAN
AAVISHKAAR-INTELLECAP ENTERPRISE



Arohan Financial Services Limited

(Formerly Arohan Financial Services Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

31 Loan portfolio and provision for standard and non-performing assets as at 31 March 2019:

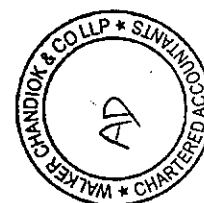
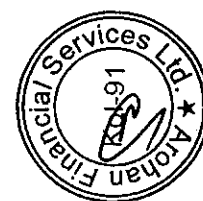
Asset classification	Portfolio loans outstanding (gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (net)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018	Provisions made during the period	Provisions written back during the period	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Standard assets	34,67,25,06,467	20,31,06,59,065	62,32,726	18,76,51,809	-	19,38,84,555	34,47,86,21,932	20,30,44,26,339
Sub-standard assets	23,09,63,611	26,48,27,821	26,48,27,821	34,47,70,141	37,86,34,351	23,09,63,611	-	-
Doubtful assets	-	-	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-	-	-
Total	34,90,34,70,078	20,57,54,86,886	27,10,60,547	53,24,21,950	37,86,34,351	42,48,48,146	34,47,86,21,932	20,30,44,26,339

Loan portfolio and provision for standard and non-performing assets as at 31 March 2018:

Asset classification	Portfolio loans outstanding (gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (net)	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	Provisions made during the year	Provisions written back during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Standard assets	20,31,06,59,065	9,06,98,02,587	9,10,24,347	-	8,47,91,621	62,32,726	20,30,44,26,339	8,97,87,78,240
Sub-standard assets	26,48,27,821	3,26,32,176	3,26,32,176	64,45,93,640	41,23,97,995	26,48,27,821	-	-
Doubtful assets	-	-	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-	-	-
Total	20,57,54,86,886	9,10,24,34,763	12,36,56,523	64,45,93,640	49,71,89,616	27,10,60,547	20,30,44,26,339	8,97,87,78,240



AROHAAN
AAVISHKAAR-INTELLECAP ENTERPRISE



Arohan Financial Services Limited

(Formerly Arohan Financial Services Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

32 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 2019	
		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		62,51,69,139	-
Unsecured		1,10,87,03,223	-
(other than falling within the meaning of public deposits)			-
(b) Deferred Credits		-	-
(c) Term Loans (includes short-term borrowings)			-
Secured		26,52,01,69,930	-
Unsecured		75,82,27,754	-
(d) Inter-corporate loans and borrowing		4,67,631	-
(e) Commercial Paper		-	-
(f) Other Loans		75,25,67,330	-
Assets side :			
(2) Break up of Loans and Advances:			
a) Secured, gross			1,73,73,64,136
b) Unsecured, gross			33,16,61,05,942
Total			34,90,34,70,078
(3) Break up of Leased Assets			
(i) Lease assets including lease rentals under sundry debtors:			
(a) finance lease			-
(b) operating lease			-
(ii) Stock on hire including hire charges under sundry debtors:			
(a) assets on hire			-
(b) 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			-





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

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 (continued)

Long Term investments :

31 March 2019

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	5,00,000
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

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

Category	Net of provision as at 31st March 2019		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties			
Total	1,73,04,14,679	32,74,82,07,253	34,47,86,21,932
	1,73,04,14,679	32,74,82,07,253	34,47,86,21,932

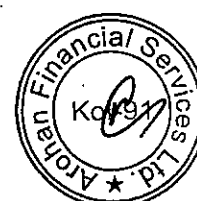
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Market value / Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties		
2. Other than related parties		
Total	5,00,000	5,00,000
	5,00,000	5,00,000

(7) Other information

(i) Gross non-performing assets	
(a) Related parties	
(b) Other than related parties	
(ii) Net non-performing assets	23,09,63,611
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired on satisfaction of debt	-

31 March 2019



33 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 ₹ 29,06,880 (31 March 2018: ₹ 96,19,510). 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 ₹ 75,00,000 (31 March 2018: ₹ 75,00,000).
- (c) Corporate guarantee in the form of credit enhancement provided towards securitisation for ₹ 13,11,68,714 (31 March 2018: ₹ Nil).
- (d) Capital commitment for purchase/ development of tangible and intangible asset (net of advances) ₹ 16,44,200 (31 March 2018: ₹ 97,31,128).

34 Earnings per equity share [EPES]

	Year ended 31 March 2019	Year ended 31 March 2018
a) Profit considered for computation of basic and diluted EPES	1,12,07,51,772	29,66,61,616
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	9,11,40,073	8,85,10,170
Add: Effect of shares issued under ESOP scheme	1,93,542	2,255
Weighted average number of shares considered for computation of diluted EPES	<u>9,13,33,615</u>	<u>8,85,12,425</u>
c) Earnings per equity share [EPES]		
Basic EPES	12.30	3.35
Diluted EPES	<u>12.27</u>	<u>3.35</u>

(This space has been intentionally left blank)





35 Foreign Currency Disclosures

	Year ended 31 March 2019	Year ended 31 March 2018
a) Earnings in foreign currency		
Grant income	3,47,126	50,89,272
	<u>3,47,126</u>	<u>50,89,272</u>
b) Expenditure in foreign currency		
Other borrowing costs	38,12,278	-
	<u>38,12,278</u>	<u>-</u>
c) Unhedged foreign currency exposure - Nil		

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

(a) Gross amount required to be spent during the year	79,73,850	59,97,398
(b) Amount spent during the period/ year on purposes other than construction/acquisition of any asset		
Paid	77,67,055	59,66,871
Yet to be paid	2,06,795	1,85,000
Total	<u>79,73,850</u>	<u>61,51,871</u>

37 Segment reporting

The Company operates in a single reportable segment i.e. financing, 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 ₹ 9,28,72,456 (31 March 2018: ₹ 5,13,77,486) disclosed as rent and the same has been recognised as an expense in the Statement of Profit and Loss.

39 The Company has taken on operating lease certain facilities and office premises for a period ranging from 11 months to 36 months which are non-cancellable for the period as reflected in the respective agreements. These lease agreements provide for increase in the lease payments by 5 % to 15 % over the period as mentioned in the agreements. The total minimum lease payments for the current period, in respect of operating leases, included under rent, aggregates to ₹ 42,94,596 (31 March 2018 : ₹ 71,88,608)

The future lease payments in respect of the above are as follows:-

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	42,62,656	39,24,480
Later than one year but not later than five years	55,38,876	12,32,555
Later than 5 years	-	-





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

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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Kolkata
Date: 15 May 2019

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

Manoj Kumar Nambiar
Managing Director
(DIN: 03172919)

Anirudh Singh G Thakur
Company Secretary

Place: Kolkata
Date: 15 May 2019

Anurag Agrawal
Director
(DIN: 02385780)

Milind Nare
Chief Financial Officer

