

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
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India

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## Independent Auditor's Report

To the Members of Arohan Financial Services Private Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Arohan Financial Services Private Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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



# Walker Chandniok & Co LLP

## Auditor's Responsibility

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

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



# Walker Chandiok & Co LLP

- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 April 2018 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in Note 35 to the financial statements, has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

*Walker Chandiok & Co LLP*

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Anamitra Das*

per Anamitra Das

Partner

Membership No.: 062191

Place: Kolkata

Date: 27 April 2018



# Walker ChandioK & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2018

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

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



# Walker Chandiook & Co LLP

Annexure A to the Independent Auditors' Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2018

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lacs)	Amount Paid Under Protest (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	62.95	9.44	AY 2011-12	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	6.18	Nil	AY 2012-13	Income Tax Appellate Tribunal
The Income-tax Act, 1961	Income Tax	1.69	0.25	AY 2013-14	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	22.89	11.52	AY 2014-15	Commissioner of Income Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the terms loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees or by the Company have been noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under Section 192 of the Act.



# Walker Chandiok & Co LLP

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

*Walker Chandiok & Co LLP*

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Anamitra Das*

per Anamitra Das

Partner

Membership No.: 062191

Place: Kolkata

Date: 27 April 2018



# Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2018

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

1. In conjunction with our audit of the financial statements of Arohan Financial Services Private Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

### Meaning of Internal Financial Controls over Financial Reporting

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



# Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Arohan Financial Services Private Limited, on the financial statements for the year ended 31 March 2018

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*Walker Chandiok & Co LLP*

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Anamitra Das*

per Anamitra Das

Partner

Membership No.: 062191

Place: Kolkata

Date: 27 April 2018



**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited  
Balance Sheet as at 31 March 2018  
(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	882,243,530	822,688,680
Reserves and surplus	5	2,922,223,715	2,589,030,504
		3,804,467,245	3,411,719,184
<b>Non-current liabilities</b>			
Long-term borrowings	6	9,062,510,576	4,087,064,840
Other long-term liabilities	8	38,333,638	6,513,336
Long-term provisions	9	287,142,170	50,207,334
		9,387,986,384	4,143,785,510
<b>Current liabilities</b>			
Short-term borrowings	6	2,341,661,075	679,530,000
Other current liabilities	11	8,015,598,667	3,774,982,956
Short-term provisions	9	10,438,270	84,386,321
		10,367,698,012	4,538,899,277
<b>Total</b>		<b>23,560,151,641</b>	<b>12,094,403,971</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment - Tangible assets	13	49,920,513	25,972,265
Intangible assets	14	53,411,627	23,401,367
Intangible asset under development		-	24,847,000
Non-current investments	15	500,000	500,000
Deferred tax assets (net)	16	78,510,734	34,424,871
Loan to customers	17	4,523,115,161	713,933,546
Long-term loans and advances	18	9,125,158	11,148,167
Other non-current assets	19	492,385,376	678,200,913
		5,206,968,570	1,512,428,129
<b>Current assets</b>			
Current investments	15	158,296	-
Cash and bank balances	20	1,779,033,776	1,995,351,356
Loan to customers	17	16,052,371,725	8,388,501,217
Short-term loans and advances	18	140,947,567	68,564,374
Other current assets	21	380,671,708	219,558,895
		18,353,183,072	10,581,975,842
<b>Total</b>		<b>23,560,151,641</b>	<b>12,094,403,971</b>

Notes 1 to 43 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

per Anamitra Das  
Partner

Place: Kolkata  
Date: 27 April 2018

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

Manoj Kumar Nambiar  
Managing Director

Anirudh Singh G Thakur  
Company Secretary

Place: Kolkata  
Date: 27 April 2018

Anurag Agrawal  
Director

Milind Nare  
Chief Financial Officer



**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited

Statement of Profit and Loss for the year ended 31 March 2018


(All amounts in ₹ unless otherwise stated)


	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	22	3,216,894,126	2,104,477,722
Other income	23	53,281,738	45,355,223
<b>Total revenue</b>		<b>3,270,175,864</b>	<b>2,149,832,945</b>
<b>Expenses</b>			
Employee benefits expense	24	691,580,868	438,483,602
Finance costs	25	1,235,744,000	987,759,693
Depreciation and amortisation expense	26	30,483,995	13,118,623
Provisions and write offs	27	485,542,462	80,315,381
Other expenses	28	372,642,010	219,842,487
<b>Total expenses</b>		<b>2,815,993,335</b>	<b>1,739,519,786</b>
<b>Profit before tax</b>		<b>454,182,529</b>	<b>410,313,159</b>
<b>Tax expense</b>			
Current tax expense		202,604,393	147,335,809
Tax expense/(reversal) for earlier periods		(997,617)	455,157
Deferred tax credit		(44,085,863)	(12,104,851)
<b>Profit for the year</b>		<b>296,661,616</b>	<b>274,627,044</b>
<b>Earnings per equity share [EPES]</b>	36		
Nominal value per share		10.00	10.00
Basic		3.35	4.86
Diluted		3.35	4.86

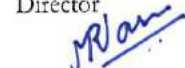
Notes 1 to 43 form an integral part of these financial statements

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

For Walker Chandio & Co LLP  
Chartered Accountants
  
 per Anamitra Das  
 Partner
For and on behalf of Board of Directors of  
Arohan Financial Services Private Limited
  
 Manoj Kumar Nambiar  
 Managing Director

  
 Anirudh Singh G Thakur  
 Company Secretary

  
 Anurag Agrawal  
 Director

  
 Milind Nare  
 Chief Financial Officer
Place: Kolkata  
Date: 27 April 2018Place: Kolkata  
Date: 27 April 2018

**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited

Cash Flow Statement for the year ended 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from operating activities</b>		
Profit before tax	454,182,529	410,313,159
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	30,483,995	13,118,623
Provisions and write offs	485,542,462	80,315,381
Finance costs	1,235,744,000	987,759,693
Liabilities written back	(403,099)	(264,827)
Employee stock option expenditure	1,987,222	(10,775)
Gain on sale of investments	(21,073,824)	(23,815,410)
Gain on sale of assets	(146,479)	(29,693)
Interest on income tax refund	-	(69,212)
<b>Operating profit before working capital changes</b>	<b>2,186,316,806</b>	<b>1,467,316,939</b>
<b>Adjustments to changes in working capital:</b>		
Increase in loans to customers	(11,585,525,115)	(3,157,499,717)
(Increase) / decrease in long-term loans and advances	(4,951,485)	8,331,700
Increase in short-term loans and advances	(70,677,397)	(96,814,373)
(Increase)/decrease in other non-current assets	34,514,001	(34,582,225)
Increase in other current assets	(126,881,094)	(43,670,262)
Increase/(decrease) in long-term provisions	92,760,920	(8,750,402)
Increase/(decrease) in short-term provisions	(77,510,973)	12,051,450
(Increase)/decrease in margin money deposit (net)	48,882,651	(149,285,789)
Increase in other liabilities	352,531,944	109,289,870
<b>Cash used in operating activities</b>	<b>(9,150,539,742)</b>	<b>(1,893,612,809)</b>
Income taxes paid (net of refund)	(196,938,885)	(150,353,111)
<b>Net cash used in operating activities (A)</b>	<b>(9,347,478,627)</b>	<b>(2,043,965,920)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(38,063,402)	(20,938,346)
Purchase of intangible assets	(14,540,120)	(43,071,646)
Proceeds from sale of property, plant and equipment	358,060	85,283
Purchase of investments	(17,271,699,999)	(6,073,400,001)
Proceeds from sale of investments	17,292,773,823	6,097,215,411
<b>Net cash used in investing activities (B)</b>	<b>(31,171,638)</b>	<b>(40,109,299)</b>

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Arohan Financial Services Private Limited  
Cash Flow Statement for the year ended 31 March 2018  
(All amounts in ₹ unless otherwise stated)



**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares (including share application money)	1,001,525	1,558,017,442
Share issue expenses	-	(23,170,342)
Proceeds from long-term borrowings (net)	8,720,680,719	2,478,750,337
Proceeds from short-term borrowings (net)	1,640,921,844	261,729,000
Interest and finance charges paid	(1,243,802,951)	(945,685,539)
<b>Net cash generated from financing activities</b>	<b>(C) 9,118,801,137</b>	<b>3,329,640,898</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(259,849,128)</b>	<b>1,245,565,679</b>
Cash and cash equivalents as at the beginning of the year	1,826,822,487	581,256,808
Add: Increase in cash and cash equivalents due to amalgamation	19,146,870	-
<b>Cash and cash equivalents as at the end of the year (refer note 1)</b>	<b>1,586,120,229</b>	<b>1,826,822,487</b>
<b>Note 1:</b>		
Cash and bank balances as per Note 20	1,779,033,776	1,905,351,356
Less: Other bank balances	192,913,547	78,528,869
<b>Cash and cash equivalents considered for cash flow</b>	<b>1,586,120,229</b>	<b>1,826,822,487</b>

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

For Walker Chandio & Co LLP  
Chartered Accountants

per Anamitra Das  
Partner

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

Manoj Kumar Nambiar  
Managing Director

Anirudh Singh G-Thakur  
Company Secretary

Anurag Agrawal  
Director

Milind Nare  
Chief Financial Officer

Place: Kolkata  
Date: 27 April 2018

Place: Kolkata  
Date: 27 April 2018



## 1. Company overview

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

As a NBFC-MFI with headquarters in Kolkata, Arohan mainly operates in the low income states such as Bihar, Jharkhand, Odisha, Assam, West Bengal, Chattisgarh, Meghalaya, Uttar 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 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI") and guidelines issued by the RBI as applicable to a NBFC-MFI. 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

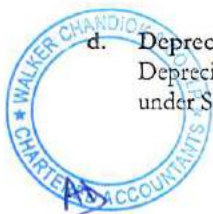
Property, plant and equipment ("PPE") are stated at cost, net of accumulated depreciation. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

### 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 1<sup>st</sup> 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. 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.

- Interest on loans given is recognized on accrual basis at agreed interest rates, except in the case of Non-Performing Assets ("NPAs"), where interest is recognized upon realization, in accordance with the RBI guidelines.
- Loan processing fees income is recognized over the period of the loan on a straight-line basis.
- Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable.
- 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.
- **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.
- **Acquisition of Assets through Direct Assignment of Cash Flows**  
Premium paid on purchased loans are amortized on straight line basis over the tenure of the loans. Discount on the purchased loans are accounted for on proportionate basis over the tenure of the loans in accordance with the repayment schedule.
- Grants are recognized where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

**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 assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

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 interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business
Non-performing assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more

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

Loans and advances other than 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.

**Loans write off**

Under the following circumstances, loans are written off:





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

**j. Earning per equity share**

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

**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. There are no other obligations of the Company other than the contributions made to the funds.

*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.

*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.

*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.

**Provision and contingent liabilities**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of







which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

- A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.
- Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**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 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
<b>4 Share capital</b>				
Authorised share capital				
Equity shares of ₹ 10 each	112,453,320	1,124,533,200	90,353,320	903,533,200
	<b>112,453,320</b>	<b>1,124,533,200</b>	<b>90,353,320</b>	<b>903,533,200</b>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each [refer note (a) below]	88,465,353	884,653,530	82,562,368	825,623,680
Less: Amount recoverable from ESOP trust	(241,000)	(2,410,000)	(293,500)	(2,935,000)
	<b>88,224,353</b>	<b>882,243,530</b>	<b>82,268,868</b>	<b>822,688,680</b>

(a) Reconciliation of Equity Share Capital

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each				
Balance at the beginning of the year	82,562,368	825,623,680	51,770,470	517,704,700
Add: Conversion of 0.001% Compulsorily convertible preference shares	-	-	9,077,830	90,778,300
Less: Cancellation pursuant to the Scheme [refer Note (c) below]	(18,067,494)	(180,674,940)	-	-
Add: Shares issued pursuant to the Scheme [refer Note (c) below]	23,970,479	239,704,790	-	-
Add: Issued during the year	-	-	21,714,068	217,140,680
Balance at the end of the year	<b>88,465,353</b>	<b>884,653,530</b>	<b>82,562,368</b>	<b>825,623,680</b>

(b) Reconciliation of Preference Share Capital

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
Preference shares of ₹ 20 each				
Balance at the beginning of the year	-	-	9,176,660	183,533,200
Less: Conversion into Equity shares	-	-	(9,176,660)	(183,533,200)
Balance at the end of the year	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(c) 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.

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

	31 March 2018		31 March 2017	
	Number	%	Number	%
Equity shares of ₹ 10 each				
Intellectual Capital Advisory Services Pvt Ltd	12,354,499	13.97%	-	-
Intellicash Microfinance Network Company Private Limited	-	-	18,067,494	21.88%
Avishkaar Goodwill India Microfinance Development Company II Limited	18,539,529	20.96%	14,132,170	17.14%
Tano India Private Equity Fund II	16,914,279	19.12%	20,462,580	24.78%
Michael & Susan Dell Foundation	3,270,980	3.70%	4,460,980	5.40%
Maj Invest Financial Inclusion Fund II	14,541,317	16.44%	11,452,405	13.87%
TR Capital III Mauritius	9,288,747	10.50%	-	-
Avishkaar Venture Management Services Private Limited	9,143,520	10.34%	8,717,165	10.56%

(e) Scheme of Arrangement

Pursuant to a Scheme of Arrangement ("the Scheme") under section 230 to 232 of the Companies Act, 2013, 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 22 March 2018, Intellicash 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 (18,067,494 equity shares of ₹ 10 each) have been cancelled (securities premium adjusted ₹ 56,679,154). The Transferee Company has issued 2,1344 equity shares for every 1 share held in the Transferor Company to the shareholders of the Transferor Company aggregating to 23,970,479 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 (empowering the Board to take any further decisions with regard to ESOP schemes), the Board is authorized to issue employee stock options, that are exercisable into not more than 825,000 equity shares of the Company to eligible employees and has extended interest free loan to ESOP Trust under the Scheme to provide financial assistance to its employees to purchase equity shares of the Company under such the Scheme.

	ESOP 2013 (Revised)	ESOP 2016	ESOP 2017
Date of Grant	1 July 2014	20 May 2016	29 August 2017
Date of Board approval	29 April 2014	20 May 2016	19 May 2017
Number of options granted	237,500	17,500	229,280
Method of settlement	Equity	Equity	Equity
Vesting period	12 months from date of Grant	12 months from date of Grant	12 months from date of Grant

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

	31 March 2018	31 March 2017
<b>ESOP 2013 (Revised)</b>		
Exercise price	16.23	16.23
Weighted average remaining contractual life (in years)	-	0.25
<b>ESOP 2016</b>		
Exercise price	24.77	24.77
Weighted average remaining contractual life (in years)	-	0.30
<b>ESOP 2017</b>		
Exercise price	84.70	-
Weighted average remaining contractual life (in years)	0.41	-

Reconciliation of stock options:

	ESOP 2013 (Revised)	ESOP 2016	ESOP 2017
Outstanding as at 1 April 2014	-	-	-
Stock option issued during the year	237,500	-	-
Exercised and vested	-	-	-
Forfeited	5,000	-	-
Outstanding as at 31 March 2015	232,500	-	-
Stock option issued during the year	-	-	-
Exercised and vested	47,500	-	-
Forfeited/lapsed	10,000	-	-
Outstanding as at 31 March 2016	175,000	-	-
Stock option issued during the year	-	17,500	-
Exercised and vested	135,000	-	-
Forfeited/lapsed	5,000	-	-
Outstanding as at 31 March 2017	35,000	17,500	-
Stock option issued during the year	49,492	-	229,280
Exercised and vested	35,000	17,500	-
Forfeited/lapsed	-	-	-
Outstanding as at 31 March 2018	49,492	-	229,280



	As at 31 March 2018	As at 31 March 2017
<b>5 Reserves and surplus</b>		
<b>i) Securities premium reserve</b>		
Balance at the beginning of the year	2,054,671,489	645,367,059
Add: Additions pursuant to the Scheme [refer Note 34(c)]	178,720,839	-
Add : Premium received on shares issued during the year	476,525	1,429,207,662
Less: Adjusted pursuant to the Scheme [refer Note 34(c)]	(184,078,484)	-
Add: Transferred from shares options outstanding account	393,225	3,267,110
Less: Share issue expense	-	(23,170,342)
<b>Balance at the end of the year</b>	<b>2,050,183,594</b>	<b>2,054,671,489</b>
<b>ii) Share options outstanding account</b>		
Balance at the beginning of the year	480,126	3,763,344
Add : Amount recorded on grants during the year	2,178,248	39,725
Less : Grants forfeited during the year	-	(50,500)
Less : Transferred to securities premium reserve account	(393,225)	(3,267,110)
Less : Deferred stock compensation expense	(191,026)	(5,333)
<b>Balance at the end of the year</b>	<b>2,074,123</b>	<b>480,126</b>
<b>iii) Statutory reserve</b>		
Balance at the beginning of the year	132,228,414	77,303,005
Add: Additions pursuant to the Scheme [refer Note 34(c)]	11,266,050	-
Add : Transfer from Statement of Profit and Loss (*)	59,332,323	54,925,409
<b>Balance at the end of the year</b>	<b>202,826,787</b>	<b>132,228,414</b>
(*) 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 for the period to the Statutory Reserve.		
<b>iv) General reserve</b>		
Balance at the beginning of the year	8,027,029	8,027,029
Less : Adjustment made during the year	-	-
<b>Balance at the end of the year</b>	<b>8,027,029</b>	<b>8,027,029</b>
<b>v) Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	393,623,446	173,921,811
Add: Additions pursuant to the Scheme [refer Note 34(c)]	28,159,443	-
Add : Profit for the year	296,661,616	274,627,044
Less : Transfer to Statutory reserve	(59,332,323)	(54,925,409)
<b>Balance at the end of the year</b>	<b>659,112,182</b>	<b>393,623,446</b>
	<b>2,922,223,715</b>	<b>2,589,030,504</b>



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

(All amounts in ₹ unless otherwise stated)

**6 Borrowings**

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
<b>Secured</b>				
Debentures	1,140,021,787	-	1,580,499,976	-
Term loans				
From Banks	9,671,545,684	1,845,000,000	2,674,272,674	517,500,000
From Others	3,970,141,904	-	2,851,229,760	162,030,000
Working capital facility from a bank	-	496,661,075	-	-
	<b>14,781,709,375</b>	<b>2,341,661,075</b>	<b>7,106,002,410</b>	<b>679,530,000</b>
<b>Unsecured</b>				
Term loan from a bank	250,000,000	-	250,000,000	-
Debentures	750,000,000	-	100,000,000	-
Loans from related parties	27,258,066	-	-	-
Term loan from others	500,000,000	-	-	-
	<b>1,527,258,066</b>	<b>-</b>	<b>350,000,000</b>	<b>-</b>
<b>Total borrowings</b>	<b>16,308,967,441</b>	<b>2,341,661,075</b>	<b>7,456,002,410</b>	<b>679,530,000</b>
Less: Current maturities of long-term borrowings	7,246,456,865	-	3,368,937,570	-
<b>Total</b>	<b>9,062,510,576</b>	<b>2,341,661,075</b>	<b>4,087,064,840</b>	<b>679,530,000</b>
<b>Current maturities of long-term borrowings</b>				
Term loans				
From Banks	5,266,561,834	-	1,872,678,572	-
From Others	1,955,065,263	-	1,346,258,998	-
Loans and advances from related parties	26,807,980	-	-	-
Debentures	21,788	-	150,000,000	-
	<b>7,246,456,865</b>	<b>-</b>	<b>3,368,937,570</b>	<b>-</b>

**a) Terms and conditions of debentures issued**

Name of Debenture Holder	Amount borrowed (₹)	Rate of Interest	Repayment Schedule
<b>Secured debentures</b>			
Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF (Face Value ₹1,000,000)	200,000,000	14.30%	Bullet Repayment in January 2021
UTI International Wealth Creator 4 (Face Value ₹1,000,000)	330,000,000	14.30%	Bullet Repayment in December 2021
Blue Orchard Microfinance Fund for Asia (MIFA) Debt Fund SA, SICAV-SIF (Face Value ₹1,000,000)	260,000,000	14.30%	Bullet Repayment in April 2020
Hinduja Leyland Finance Limited (Face Value ₹1,000,000)	350,000,000	11.49%	Bullet Repayment in December 2019
<b>Unsecured debentures</b>			
IFMR Capital Finance Private Limited (Face Value ₹ 2,000,000)	100,000,000	14.25%	Bullet Repayment in September 2022
Debenture Northern Arc (Face Value ₹ 1,000,000)	650,000,000	13.50%	Bullet Repayment in April 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% per annum to 14% per annum (31 March 2017 : 8% to 16% 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 10.35% per annum (31 March 2017 : 4.00% to 13.40% per annum).

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

Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

6 Long-term borrowings (Cont'd)

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

Terms of repayment of long term borrowings (term loans) as on 31 March 2018

Repayment Schedule	Interest rate	Non-current		Current			
		No. of installments	Amount ₹	No. of installments	Amount ₹		
Term loan from banks							
Monthly Repayment Schedule							
9.01% - 10.00%		12	150,000,000	12	150,000,000		
		6	25,000,000	12	50,000,000		
		26	361,111,120	10	138,888,880		
		7	43,750,000	12	75,000,000		
		8	33,333,333	12	50,000,000		
		11	261,904,762	10	238,095,238		
		11	250,000,008	11	249,999,992		
		-	-	12	400,000,000		
		9	225,000,000	12	300,000,000		
		10	83,333,333	12	100,000,000		
		12	110,000,000	12	110,000,000		
		-	-	12	10,000,008		
		2	3,888,894	12	23,333,328		
		12	50,000,000	12	50,000,000		
		12	94,999,996	12	95,000,004		
		10.01% - 11.00%		-	-	8	10,000,000
				-	-	8	6,666,672
				-	-	9	18,750,005
				25	172,994,427	11	77,000,000
				-	-	5	14,285,714
				-	-	6	11,428,572
				1	2,380,964	12	28,571,429
				4	9,523,810	12	28,571,429
				7	33,333,333	12	57,142,857
				17	141,538,875	12	100,108,757
11.01% - 12.00%		-	-	3	7,142,000		
		3	7,142,864	12	28,571,424		
		3	57,142,858	12	228,571,428		
		-	-	7	29,166,667		
		-	-	2	5,555,556		
		3	18,181,818	12	72,727,271		
		-	-	3	10,006,000		
		-	-	3	21,426,000		
		-	-	3	7,142,000		
		-	-	3	7,142,000		
		-	-	8	16,666,656		
		-	-	3	4,278,000		
		12.01% - 13.00%		-	-	6	19,984,000
				-	-	12	39,988,000
-	-			11	36,666,667		
-	-			7	14,583,322		
-	-			7	14,583,322		
-	-			-	-		
Quarterly Repayment Schedule							
9.01% - 10.00%		3	192,857,143	4	257,142,857		
		4	142,857,143	3	107,142,857		
		4	102,625,000	4	102,625,000		
		2	32,500,000	4	65,000,000		
		4	300,000,000	4	300,000,000		
		4	200,000,000	4	200,000,000		
		7	233,333,330	4	153,333,336		
		-	-	4	20,000,000		
		4	20,000,000	4	20,000,000		
		4	60,000,000	4	60,000,000		
		5	100,000,000	4	80,000,000		
		7	58,333,335	4	33,333,332		
		5	125,000,000	3	75,000,000		
		-	-	-	-		







**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

Repayment Schedule	Interest rate	Non-current		Current	
		No. of installments	Amount ₹	No. of installments	Amount ₹
10.01% - 11.00%	-	-	-	2	37,500,000
	-	-	-	2	6,250,000
	4	140,000,000	5	225,000,000	
	8	124,100,000	3	45,900,000	
	8	14,600,000	3	5,400,000	
	8	160,600,000	3	59,400,000	
	8	65,700,000	3	24,300,000	
	4	126,843,126	4	127,390,800	
	4	71,074,377	4	71,074,356	
	-	-	3	64,285,714	
	-	-	1	4,976,099	
	-	-	1	24,000,000	
	-	-	4	85,714,286	
	-	-	3	56,000,000	
12.01% - 13.00%	-	-	3	18,750,000	
Bullet Repayment Schedule					
11.65%	1	250,000,000	-	-	
Term Loan from Others					
Monthly Repayment Schedule					
7.01%-8.00%	21	320,000,000	12	180,000,000	
	-	-	11	4,583,329	
10.01% - 11.00%	-	-	2	20,500,000	
	21	350,600,000	9	149,400,000	
	19	36,390,580	8	15,609,420	
11.01% - 12.00%	12	49,400,000	12	50,400,000	
	-	-	11	22,000,000	
	-	-	11	18,333,333	
	-	-	11	14,666,667	
12.01% - 13.00%	5	41,250,000	12	100,200,000	
	-	-	12	36,000,000	
	-	-	12	60,000,000	
	-	-	12	43,999,994	
	-	-	3	34,533,164	
-	-	3	20,938,518		
13.01% - 14.00%	1	3,916,978	11	40,195,557	
	2	7,708,988	12	43,132,414	
	2	7,768,074	12	43,145,185	
15.01% - 16.00%	-	-	1	833,339	
	-	-	4	2,222,216	
	-	-	6	6,666,668	
	-	-	7	7,777,779	
Quarterly Repayment Schedule					
10.01% - 11.00%	3	199,729,218	4	243,285,011	
	3	99,812,803	4	121,642,669	
Half-Yearly Repayment Schedule					
10.01% - 11.00%	8	181,500,000	2	99,000,000	
	8	469,000,000	2	201,000,000	
11.01% - 12.00%	6	250,000,000	2	300,000,000	
Bullet Repayment Schedule					
13.01% - 14.00%	1	500,000,000	-	-	
	-	-	1	75,000,000	
Term Loan from Related Parties					
Monthly Repayment Schedule					
17.01% - 18.00%	-	-	7	3,775,359	
	-	-	7	4,901,899	
	-	-	7	2,856,417	
	-	-	8	4,961,866	
	-	-	12	5,315,245	
	1	450,086	12	4,997,194	
Total		7,172,510,577	7,246,435,077		



**8 Other long-term liabilities**

	As at 31 March 2018	As at 31 March 2017
Unamortised loan processing fees	38,333,638	6,513,336
	<b>38,333,638</b>	<b>6,513,336</b>

**9 Provisions**

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
Contingent provision against standard assets	1,313,324	4,919,402	6,707,356	84,316,991
Provision for non-performing assets	264,827,821	-	32,632,176	-
Provision for tax (net of advance taxes)	332,811	-	-	-
Provision for employee benefits				
- gratuity (refer note 12)	18,255,852	-	9,591,455	65,303
- compensated absences	2,412,362	5,518,868	1,276,347	4,027
	<b>287,142,170</b>	<b>10,438,270</b>	<b>50,207,334</b>	<b>84,386,321</b>

- 10 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 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED Act.

**11 Other current liabilities**

	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings	7,246,456,865	3,368,937,570
Interest accrued and due on borrowings	76,732,702	51,331,665
Interest accrued but not due on borrowings	42,487,630	52,759,237
Statutory dues	25,419,770	13,102,047
Payable on account of securitisation	233,353,689	100,204,292
Unrealised gain on loan transfer transactions	49,512,371	35,024,002
Employee dues	54,006,699	29,278,962
Unamortised loan processing fees	152,725,787	72,245,858
Liabilities for expenses	66,420,693	14,957,206
Unamortised profit on buyout transactions	2,438,379	1,142,832
Capital creditors	710,616	-
Security deposit	1,487,500	-
Other payables	63,845,966	35,999,285
	<b>8,015,598,667</b>	<b>3,774,982,956</b>

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## 12 Employee benefits

Defined Benefit Plans - As per Actuarial Valuations as on 31 March 2018 and recognised in the financial statements in respect of Employee Benefit Schemes (gratuity):

	As at 31 March 2018	As at 31 March 2017
<b>i) Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	13,056,726	8,185,618
Service cost	3,149,478	2,235,472
Interest cost	844,502	515,715
Actuarial loss (net)	5,309,534	5,598,292
Benefits paid	(2,686,493)	(3,478,371)
<b>Projected benefit obligation at the end of the year</b>	<b>19,673,747</b>	<b>13,056,726</b>
<b>ii) Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	3,399,969	1,083,981
Expected return on plan assets	203,052	167,395
Actuarial gain	-	131,674
Employer contributions	501,367	5,495,290
Benefits paid	(2,686,493)	(3,478,371)
<b>Fair value of plan assets at the end of the year</b>	<b>1,417,895</b>	<b>3,399,969</b>
<b>iii) Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year	19,673,747	13,056,726
Funded status of the plans	(1,417,895)	(3,399,969)
<b>Liability recognised in the balance sheet</b>	<b>18,255,852</b>	<b>9,656,757</b>
<b>iv) Components of employer expenses</b>		
Service cost	3,149,478	2,235,472
Interest cost	844,502	515,715
Expected returns on plan assets	(203,052)	(167,395)
Recognized net actuarial loss	5,309,534	5,466,618
<b>Total expense recognised in the Statement of profit and loss</b>	<b>9,100,462</b>	<b>8,050,410</b>

Net Gratuity expenses have been recognised in "Contribution to Provident and other funds" under Note 24.

<b>v) Key actuarial assumptions</b>		
Discount rate	7.40%	7.21%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%
Withdrawal rates	1st 5 years of service 52% more than 5 years of service 1%	

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

### vi) Table for 5 years actuarial valuation disclosures for Gratuity

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Defined benefit obligation	19,673,747	13,056,726	8,185,618	5,852,178	1,946,856
Plan assets	1,417,895	3,399,969	1,083,981	2,610,949	2,899,026
(Surplus)/Deficit	18,255,852	9,656,757	7,101,637	3,241,229	(952,170)
Net actuarial loss/(gain) recognized	5,309,534	5,466,618	3,841,793	3,357,191	(627,771)

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 ₹ 35,743,928 (31 March 2017: ₹ 27,897,837).



Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

**13 Property, plant and equipment - tangible assets**

	Furniture and fixtures	Computer and accessories	Office equipment	Total
<b>Gross block</b>				
Balance as at 1 April 2016	11,794,652	18,229,548	2,659,860	32,684,060
Additions	5,146,361	21,808,457	1,479,906	28,434,724
Disposals	-	(85,152)	-	(85,152)
Subsidy Received	-	(7,496,378)	-	(7,496,378)
Balance as at 31 March 2017	16,941,013	32,456,475	4,139,766	53,537,254
Additions (*)	12,721,640	23,506,753	3,307,571	39,535,964
Disposals	-	(685,103)	-	(685,103)
Balance as at 31 March 2018	29,662,653	55,278,125	7,447,337	92,388,115
<b>Accumulated depreciation</b>				
Up to 31 March 2016	7,913,518	9,399,401	1,397,686	18,710,605
Depreciation charge	900,405	7,081,501	902,040	8,883,946
Reversal on disposal of assets	-	(29,562)	-	(29,562)
Up to 31 March 2017	8,813,923	16,451,340	2,299,726	27,564,989
Depreciation charge	1,936,310	12,413,414	1,026,411	15,376,135
Reversal on disposal of assets	-	(473,522)	-	(473,522)
Up to 31 March 2018	10,750,233	28,391,232	3,326,137	42,467,602
<b>Net block</b>				
Balance as at 31 March 2017	8,127,090	16,005,135	1,840,040	25,972,265
Balance as at 31 March 2018	18,912,420	26,886,893	4,121,200	49,920,513

(\*) Includes ₹ 761,946 added on amalgamation [refer Note 34(c)].

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**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

**14 Intangible assets**

	Computer Software	Total
Gross block		
Balance as at 1 April 2016	15,143,350	15,143,350
Additions	22,636,941	22,636,941
Subsidy Received	(351,014)	(351,014)
Balance as at 31 March 2017	37,429,277	37,429,277
Additions (*)	45,118,120	45,118,120
Balance as at 31 March 2018	82,547,397	82,547,397
Accumulated amortisation		
Up to 31 March 2016	9,793,233	9,793,233
Amortization charge	4,234,677	4,234,677
Up to 31 March 2017	14,027,910	14,027,910
Amortization charge	15,107,860	15,107,860
Up to 31 March 2018	29,135,770	29,135,770
Net block		
Balance as at 31 March 2017	23,401,367	23,401,367
Balance as at 31 March 2018	53,411,627	53,411,627

(\*) Includes ₹ 5,731,000 added on amalgamation [refer Note 34(c)].

**15 Investments**

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
In equity instruments (non-trade, unquoted)				
	500,000	-	500,000	-
50,000 (31 March 2017: 50,000) equity shares of ₹ 10 each fully paid in Alpha Micro Finance Consultant Private Limited				
In mutual funds (non-trade, unquoted)				
95 units of ₹ 10 each fully paid-up of Axis Liquid Institutional Fund	-	158,296	-	-
Aggregate amount of unquoted investments	500,000	158,296	500,000	-

**16 Deferred tax assets (net)**

	As at 31st March 2018	As at 31st March 2017
<u>Deferred tax assets</u>		
On account of provision for standard and non performing assets	74,840,840	35,040,532
On disallowances of expenses allowed on payment basis	9,150,814	3,785,122
Others	832,655	-
	84,824,309	38,825,654
<u>Deferred tax liabilities</u>		
On difference between tax depreciation and book depreciation	(6,313,575)	(4,400,783)
Deferred tax assets (net)	78,510,734	34,424,871



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## 17 Loan to customers

As at  
31 March 2018As at  
31 March 2017

	Non-current	Current	Non-current	Current
Portfolio loans				
Joint liability group and Individual loans				
Unsecured, considered good(*)	4,019,271,163	15,211,306,548	670,735,598	8,299,066,989
Unsecured, considered doubtful(**)	244,551,561	-	32,632,176	-
Loans to bodies corporate				
Secured, considered good(##)	177,176,538	165,255,625	10,565,772	89,434,228
Unsecured, considered good	61,839,639	675,809,552	-	-
Unsecured, considered doubtful	20,276,260	-	-	-
	<b>4,523,115,161</b>	<b>16,052,371,725</b>	<b>713,933,546</b>	<b>8,388,501,217</b>

i) Assets derecognised on account of securitisation and assignment transaction is ₹ 885,683,413 (31 March 2017: ₹ 809,195,056)

(\*) Represents standard assets classified in accordance with the RBI Master Directions, 2016

(\*\*) Represents non-performing assets classified in accordance with the RBI Master Directions, 2016

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

## 18 Loans and advances

(Unsecured, considered good, unless otherwise stated)

As at  
31st March 2018As at  
31st March 2017

	Long-term	Short-term	Long-term	Short-term
Security deposits	9,125,158	15,777,670	4,173,673	7,065,447
Advance tax (net of provision)	-	-	6,974,494	-
Advances to employees	-	4,367,770	-	2,659,101
Other receivables (*)	-	97,622,914	-	35,175,867
Advances recoverable on behalf of business correspondent arrangements	-	23,179,213	-	23,663,959
	<b>9,125,158</b>	<b>140,947,567</b>	<b>11,148,167</b>	<b>68,564,374</b>

(\*) Includes ₹ 6,013,524 (31 March 2017: ₹ 5,821,724) receivable from Arohan ESOP Trust - a related party.

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**AROHAN**

AAVISHKAAR-INTELLECAP ENTERPRISE

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

(All amounts in ₹ unless otherwise stated)

**19 Other non-current assets***(Unsecured, considered good, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017
Bank deposits with maturity of more than 12 months [Refer (a) below]	439,476,333	600,438,101
Interest accrued on fixed deposits	9,896,042	45,573,439
Prepaid expenses	1,163,396	-
Unamortised loan processing charges on borrowed funds	41,849,605	32,189,373
	<u>492,385,376</u>	<u>678,200,913</u>

- (a) Includes deposits aggregating to ₹ 439,476,333 (31 March 2017: ₹ 524,127,484) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with asset assignments/securitisation transactions.

**20 Cash and bank balances**

	As at 31 March 2018	As at 31 March 2017
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	849,223,475	1,370,562,187
- in deposit account (with original maturity upto 3 months)	690,000,000	441,278,371
Cash on hand	46,896,754	14,981,929
	<u>1,586,120,229</u>	<u>1,826,822,487</u>
<b>Other bank balances</b>		
Deposits with maturity of more than 3 months but less than 12 months	192,913,547	78,528,869
[Refer (a) below]		
<b>Total</b>	<u>1,779,033,776</u>	<u>1,905,351,356</u>

- (a) Includes deposits aggregating to ₹ 190,838,778 (31 March 2017: ₹ 66,618,193) placed as margin money deposits to avail term loans from banks, financial institutions and as cash collateral in connection with asset assignments/ securitisation transactions.

**21 Other current assets***(Unsecured, considered good, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017
Accrued Interest on loan to customers	228,578,383	133,647,999
Prepaid expenses	15,811,919	2,283,845
Interest receivable on loan transfer transactions	49,512,371	35,024,002
Grant receivable	-	136,540
Unamortised loan processing charges on borrowed funds	41,553,147	28,941,397
Interest accrued on fixed deposits	16,305,093	2,145,940
Interest strip on securitisation transactions	28,910,795	17,379,172
	<u>380,671,708</u>	<u>219,558,895</u>



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	Year ended 31 March 2018	Year ended 31 March 2017
<b>22 Revenue from operations</b>		
Interest on loan to customers	2,857,048,780	1,821,049,581
Income from loan processing fee	158,303,577	98,164,910
Income from securitisation (excess interest spread)	46,371,429	39,484,101
Other operating revenues [Refer (a) below]	155,170,340	145,779,130
	<b>3,216,894,126</b>	<b>2,104,477,722</b>
(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 ₹ 24,650,720 (31 March 2017 ₹ 43,552,565).		
<b>23 Other income</b>		
Interest income on:		
Fixed deposits	18,843,215	14,473,020
Income tax refund	-	69,212
Gain on sale of current investments	21,073,824	23,815,410
Profit on sale of fixed assets	146,479	29,693
Sundry balances written back	403,099	264,827
Grant received	5,089,272	6,654,757
Gain on foreign exchange fluctuation	-	48,304
Miscellaneous Income	7,725,849	-
	<b>53,281,738</b>	<b>45,355,223</b>
<b>24 Employee benefits expense</b>		
Salaries and bonus/allowances	620,804,286	388,344,204
Contribution to provident and other funds	50,605,487	38,030,237
Employee stock option compensation	1,987,222	145,101
Staff welfare expenses	18,183,873	11,964,060
	<b>691,580,868</b>	<b>438,483,602</b>
<b>25 Finance costs</b>		
Interest expenses	1,180,525,412	934,229,141
Other borrowing costs	55,218,588	53,530,552
	<b>1,235,744,000</b>	<b>987,759,693</b>
<b>26 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment - tangible assets (Refer note 13)	15,376,135	8,883,946
Amortisation of intangible assets (Refer note 14)	15,107,860	4,234,677
	<b>30,483,995</b>	<b>13,118,623</b>





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

	Year ended 31 March 2018	Year ended 31 March 2017
<b>27 Provisions and write off</b>		
Bad debt written off	341,810,286	15,260,694
Provision for loan portfolio	143,732,176	65,054,687
	<b>485,542,462</b>	<b>80,315,381</b>
<b>28 Other expenses</b>		
Rent	58,566,094	35,700,680
Repairs and maintenance-others	17,800,042	7,409,919
Insurance	10,175,891	5,443,124
Power and fuel	6,686,031	4,876,898
Rates and Taxes	18,853,346	7,284,071
Office expenses	15,802,482	6,017,719
Membership and subscription	5,526,817	2,051,317
Office maintenance	12,215,947	7,615,021
Printing and stationery	13,968,668	10,144,665
Legal and Professional expenses	84,533,508	32,436,895
Recruitment and induction expenses	13,645,581	10,590,277
Communication expenses	15,220,686	9,884,227
Travelling and conveyance	86,726,091	70,038,378
Payment to auditors (Refer note (a) below)	3,195,279	2,579,246
Loss on foreign exchange fluctuation	6,364	-
Expenditure on corporate social responsibility (Refer Note 38)	6,151,871	3,624,909
Miscellaneous expenses	3,567,312	4,145,141
	<b>372,642,010</b>	<b>219,842,487</b>
<b>(a) Payments to auditors</b>		
Statutory audit	2,750,000	2,200,000
Tax audit	103,700	100,000
In other capacity		
Other services	185,000	-
Reimbursement of expenses	156,579	279,246
	<b>3,195,279</b>	<b>2,579,246</b>

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29 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name
Key Management Personnel (KMP)	Manoj Kumar Nambiar - Managing Director Milind Ramchandra Nare - Chief Financial Officer Anirudh Singh G Thakur (appointed on 23rd October 2017) - Company Secretary Vanita Mundhra (resigned wef 23rd October 2017) - Company Secretary
Relatives of KMP	Geeta Nambiar
Entities which are able to exercise control or have significant influence	Jain Sons Finlease Limited Intellectual Capital Advisory Services Private Limited Intellectap Software Technologies Private Limited Intellectap Advisory Services Private Limited Aavishkaar Goodwill India Microfinance Development Company-II Limited Aavishkaar Venture Management Services Private Limited Tano India Private Equity Fund II
Enterprise over which KMP have significant influence or control	Arohan ESOP Trust Anudip Foundation Tribetech Private Limited

b) Transactions with related parties

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Issue of equity shares (including share premium)</b>		
Tano India Private Equity Fund II (including conversion of preference shares)	-	308,533,175
Aavishkaar Venture Management Services Private Limited	-	449,999,967
Aavishkaar Venture Management Services Private Limited (pursuant to Scheme)	4,261,550	-
Intellectual Capital Advisory Services Private Limited (pursuant to Scheme)	123,544,990	-
Aavishkaar Goodwill India Microfinance Development Company-II Limited (pursuant to Scheme)	101,278,050	-
<b>Loan repayment received</b>		
Arohan ESOP Trust	-	9,600,000
<b>Receivable during the year pursuant to exercise of options (net of receipt)</b>		
Arohan ESOP Trust	162,300	5,522,776
<b>Portfolio buyout</b>		
Jain Sons Finlease Limited	1,204,956	-
<b>Loan taken</b>		
Jain Sons Finlease Limited (includes ₹ 50,781,873 added pursuant to Scheme)	59,781,873	-
<b>Loan repaid</b>		
Manoj Kumar Nambiar	-	2,400,000
Geeta Nambiar	-	3,400,000
Jain Sons Finlease Limited	32,523,807	-
<b>Security deposit taken</b>		
Tribetech Private Limited	1,060,000	-
<b>Purchase of property, plant and equipment</b>		
Jain Sons Finlease Limited	4,749,394	-
<b>Remuneration</b>		
Manoj Kumar Nambiar	11,250,006	7,816,382
Milind Ramchandra Nare	6,893,311	3,492,037
Anirudh Singh G Thakur	1,988,950	-
Vanita Mundhra	328,684	809,706
<b>Interest paid</b>		
Manoj Kumar Nambiar	-	190,911
Geeta Nambiar	-	252,904
Jain Sons Finlease Limited	8,116,893	-
<b>Professional/ business support fees</b>		
Aavishkaar Venture Management Services Private Limited	567,071	-
Intellectap Advisory Services Private Limited	3,579,767	13,468,750
Tribetech Private Limited	1,586,188	-
<b>Loan processing charge</b>		
Jain Sons Finlease Limited	96,750	-
<b>Expenditure on corporate social responsibility</b>		
Anudip Foundation	900,000	-
<b>Reimbursement of expenses</b>		
Tano India Private Equity Fund II	-	49,995
Tribetech Private Limited	165,447	-
Aavishkaar Venture Management Services Private Limited	34,542	49,492
Intellectap Advisory Services Private Limited	-	22,820
Arohan ESOP Trust	29,500	298,948





<b>Rent &amp; service charges</b>		
Intellectual Capital Advisory Services Private Limited	-	134,282
Intellectap Advisory Services Private Limited	272,488	-
<b>c) Year-end balances with related parties</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>Loans taken</b>		
Jain Sons Finance Ltd	27,258,066	-
<b>Other receivables</b>		
Arohan ESOP Trust	6,013,524	5,821,724
<b>Security deposit taken</b>		
Tribetech Private Limited	1,000,000	-
<b>Other payables</b>		
Tribetech Private Limited	896,923	-
Intellectap Advisory Services Private Limited	-	13,135,858
Anudip Foundation	180,000	-

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Arohan Financial Services Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

**30 Additional disclosures pursuant to the RBI guidelines and notifications:****i) Capital**

	31 March 2018	31 March 2017
Capital to Risk/Weighted Assets Ratio (CRAR) (%)	23.63%	39.35%
CRAR-Tier I Capital (%)	16.81%	35.62%
CRAR-Tier II Capital (%)	6.82%	3.73%
Amount of subordinated debt raised as Tier-II Capital	1,150,000,000	350,000,000
Amount raised by issue of Perpetual Debt Instruments	-	-

**ii) Investments**

	31 March 2018	31 March 2017
A. Value of Investments		
Gross Value of Investments:		
a) In India	658,296	500,000
b) Outside India	-	-
Provisions for Depreciation:		
a) In India	-	-
b) Outside India	-	-
Net Value of Investments		
a) In India	658,296	500,000
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments		
Opening Balance	-	-
Add: Provisions made during the year	-	-
Less: Write-off/Write-back of excess provisions during the year	-	-
Closing Balance	-	-

**iii) Derivatives**

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

**iv) Disclosures relating to Securitisation**

	31 March 2018	31 March 2017
A) Securitisation		
1) No. of SPVs sponsored by the NBFC for securitisation transactions	1	3
2) Total amount of securitised assets as per books of the SPVs sponsored	401,211,368	809,195,056
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	42,712,743	36,446,218
(ii) Others	-	-
b) On-balance sheet exposures		
(i) First loss	80,242,274	73,511,168
(ii) Others	-	-
4) Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	-	-





	31 March 2018	31 March 2017
- 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	-	-
Number of loans assigned/ securitised	22,622	71,151
Book value of loans assigned/ securitised	401,211,368	809,195,056
Sale consideration received for loans assigned/ securitised	401,211,368	809,195,056
Gain / (Loss) on account of direct assigned / securitization	-	-
Income recognised in the statement of profit and loss	4,821,592	14,325,405
Credit enhancements provided and outstanding (Gross):		
Principal collateralisation	44,579,041	36,429,251
Interest collateralisation	42,712,743	36,446,218
Cash collateral	35,663,233	73,511,168

**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 2018	31 March 2017
i) No. of accounts	44,853	-
ii) Aggregate value of accounts sold	484,472,045	-
iii) Aggregate consideration	484,472,045	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
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 31.

**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 17**



vii) Miscellaneous

A) Registration obtained from other financial sector regulators

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

B) Disclosure of Penalties imposed by RBI and other regulators

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

C) Related Party Transactions

Details of all material related party transactions are disclosed in Note 29.

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 25 March 2018 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-	Revised from CARE BBB+

E) Remuneration of Directors

Details relating to remuneration of directors are disclosed in Note 29.

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 2018	31 March 2017
Provision towards standard and non performing assets (refer note 27)	143,732,176	65,054,687
Provision made towards Income tax (including for earlier year)	201,606,776	147,790,966
Other Provision and Contingencies (employee benefits)	16,696,686	10,893,106

B) Draw Down from Reserves

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

C) Concentration of Advances, Exposures and NPAs

	31 March 2018	31 March 2017
a) Concentration of Advances		
Total Advances to twenty largest borrowers	435,174,257	102,248,125
Percentage of Advances to twenty largest borrowers to Total Advances	2.04%	1.12%



	31 March 2018	31 March 2017
<b>b) Concentration of Exposures</b>		
Total exposure to twenty largest borrowers/customers	435,174,257	102,248,125
Percentage of exposures to twenty largest borrowers / customers to Total Exposure	2.04%	1.12%

<b>c) Concentration of NPAs</b>		
Total exposure to top four NPA accounts	9,211,299	237,107

**d) Sector-wise NPAs**

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

Agriculture & allied activities	Nil
MSME	Nil
Corporate borrowers	1.84%
Services	Nil
Unsecured personal loans	1.26%
Auto loans	Nil
Other personal loans	Nil

**e) Movement of NPAs**

	31 March 2018	31 March 2017
i) Net NPAs to Net Advances (%)	0.00%	0.00%
ii) Movement of NPAs (Gross)		
a) Opening Balance	32,632,176	24,287,534
b) Additions during the year	264,827,821	23,852,803
c) Reductions during the year	32,632,176	15,508,161
d) Closing balance	264,827,821	32,632,176
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	32,632,176	24,287,534
b) Provisions made during the year	264,827,821	23,852,803
c) Write-off/write-back of excess provisions	32,632,176	15,508,161
d) Closing balance	264,827,821	32,632,176

**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 2018	31 March 2017
a) No. of complaints pending at the beginning of the year	110
b) No. of complaints received during the year	690
c) No. of complaints redressed during the year	726
d) No. of complaints pending at the end of the year	74

x) Information on instances of fraud identified during the year

	31 March 2018	31 March 2017
Nature of fraud		
Cash embezzlement and snatching		
No. of cases	4	6
Amount of fraud	1,449,185	2,453,434
Recovery	1,060,763	1,780,326
Amount provided for	388,422	673,108
Loans given against fictitious documents		
No. of cases	-	2
Amount of fraud	-	1,114,214
Recovery	-	814,769
Amount provided for	-	299,445

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## 31 Asset Liability Management

## Maturity pattern of assets and liability as on 31 March 2018

	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	697,000,000	18,706,027	5,659,119	60,673,923	100,874,478	376,619,193	62,857,140	-	1,322,389,880
Advances (Micro Finance Portfolio)	1,508,551,499	1,547,134,176	1,488,203,950	4,278,444,499	6,449,612,943	4,203,182,205	-	-	19,475,129,272
Advances (Corporate)	85,990,376	83,725,231	80,845,595	242,277,809	348,226,167	259,292,437	-	-	1,100,357,614
Investments	158,296	-	-	-	-	-	-	500,000	658,296
Borrowings	991,437,168	673,770,943	722,581,957	2,949,264,103	4,251,063,769	7,066,338,371	596,172,205	1,400,000,000	18,650,628,516
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

## Maturity pattern of assets and liability as on 31 March 2017

	Up to 30/31 days	Over 1 Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	483,868,253	36,988,143	57,660,683	123,925,361	198,891,859	218,911,042	-	-	1,120,245,341
Advances (Micro Finance Portfolio)	1,022,637,618	923,019,423	884,721,786	2,324,381,521	2,965,438,185	882,236,230	-	-	9,002,434,763
Advances (Corporate)	-	6,232,804	7,810,303	24,091,812	51,299,309	10,565,772	-	-	100,000,000
Investments	-	-	-	-	-	-	-	500,000	500,000
Borrowings	309,966,024	273,701,538	307,173,646	1,700,619,097	1,456,858,891	2,867,213,214	870,000,000	350,000,000	8,135,532,410
Foreign Currency assets	136,540	-	-	-	-	-	-	-	136,540
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.



## 32 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 2017
Standard assets	20,310,659,065	9,069,802,587	91,024,347	-	84,791,621	20,304,426,339	8,978,778,240
Sub-standard assets	264,827,821	32,632,176	32,632,176	264,827,821	32,632,176	-	-
Doubtful assets	-	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-	-
<b>Total</b>	<b>20,575,486,886</b>	<b>9,102,434,763</b>	<b>123,656,523</b>	<b>264,827,821</b>	<b>117,423,797</b>	<b>20,304,426,339</b>	<b>8,978,778,240</b>

## Loan portfolio and provision for standard and non-performing assets as at 31 March 2017:

Asset classification	Portfolio loans outstanding (gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (net)	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2016	Provisions made during the year	Provisions written back during the year	As at 31 March 2017	As at 31 March 2016
Standard assets	9,069,802,587	5,835,908,206	34,314,301	53,027,163	-	8,982,461,123	5,801,593,905
Sub-standard assets	32,632,176	24,287,534	24,287,534	23,852,803	15,508,161	-	-
Doubtful assets	-	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-	-
<b>Total</b>	<b>9,102,434,763</b>	<b>5,860,195,740</b>	<b>58,601,835</b>	<b>76,879,966</b>	<b>15,508,161</b>	<b>8,982,461,123</b>	<b>5,801,593,905</b>





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

(All amounts in ₹ unless otherwise stated)

- 33 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 2018	
	Amount outstanding
	Amount overdue
<b>Liabilities side :</b>	
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	
(a) Debentures	
Secured	1,172,458,140
Unsecured	758,217,124
(other than falling within the meaning of public deposits)	
(b) Deferred Credits	-
(c) Term Loans (includes short-term borrowings)	
Secured	16,013,204,865
Unsecured	798,433,038
(d) Inter-corporate loans and borrowing	27,535,681
(e) Commercial Paper	-
(f) Other Loans	-
<b>Assets side :</b>	
(2) Break up of Loans and Advances:	
a) Secured, gross	342,432,163
b) Unsecured, gross	20,233,054,723
<b>Total</b>	<b>20,575,486,886</b>
Of Total Loans and Advances	
(a) Loans to Body Corporates	1,100,357,614
(a) Others	19,475,129,272
<b>Total Loans and Advances</b>	<b>20,575,486,886</b>
(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	158,296
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-



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

(All amounts in ₹ unless otherwise stated)

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)

**31 March 2018****Long Term investments :****1. Quoted****(i) Shares :****(a) Equity****(b) Preference****(ii) Debentures and Bonds****(iii) Units of mutual funds****(iv) Government Securities****(v) Others****2. Unquoted****(i) Shares:****(a) Equity****(b) Preference****(ii) Debentures and Bonds****(iii) Units of mutual funds****(iv) Government Securities****(v) Others**

500,000

**Net of provision as at 31 March 2018****(5) Borrower group-wise classification of assets financed as in (2) and (3)****Category****Secured****Unsecured****Total****1. Related parties****(a) Subsidiaries****(b) Companies in the same group****(c) other related parties****2. Other than related parties****Total**

341,062,435

19,963,363,904

20,304,426,339

341,062,435

19,963,363,904

20,304,426,339

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)****Category****1. Related parties****2. Other than related parties****Total****Market value /  
Breakup or fair value  
or NAV****Book value  
(net of provisions)**

500,000

500,000

500,000

500,000

**(7) Other information****31 March 2018****(i) Gross non-performing assets****(a) Related parties****(b) Other than related parties**

264,827,821

**(ii) Net non-performing assets****(a) Related parties****(b) Other than related parties****(iii) Assets acquired on satisfaction of debt**

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

(All amounts in ₹ unless otherwise stated)

**34 Scheme of Arrangement**

- (a) Pursuant to a Scheme of Arrangement ("the Scheme") under section 230 to 232 of the Companies Act, 2013, 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 22 March 2018, Intellectash 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.
- (b) Intellectash Microfinance Network Company Private Limited is in the business of providing working capital and business loans to micro, small and medium enterprises through Merchant Cash Advance by leveraging on electronic payment infrastructure. The ticket size ranges from ₹ 500,000 to ₹ 7,500,000 and is decided by taking into account the average monthly sales of the customer over the last one year via point of sale/e-commerce system. The Scheme will bring in economies of scale, retention of clients, diversification, financial strength and optimization on non-qualifying asset space of the transferee company.
- (c) The amalgamation is accounted under the 'pooling of interest' method as per Accounting Standard 14, 'Accounting for Amalgamations' as under:
- All assets, liabilities and reserves (whether capital or revenue arising on revaluation) recorded in the books of account of the Transferor Company have been transferred and recorded in the books of the Transferee Company pursuant to this Scheme, at their existing carrying amounts and in the same form as at the Appointed Date.
  - The identity of reserves of the Transferor Company have been preserved when transferred to the Transferee Company and they appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company. The balance in the Statement of Profit and Loss, General Reserve, Securities Premium Reserve and Reserve Fund have been aggregated with the balances standing in the books of the Transferee Company.
  - The investment held in the Transferee Company by the Transferor Company (18,067,494 equity shares of ₹ 10 each) have been cancelled (securities premium adjusted ₹ 36,679,154). The Transferee Company has issued 2,1344 equity shares for every 1 share held in the Transferor Company to the shareholders of the Transferor Company aggregating to 23,970,479 equity shares of ₹ 10 each.
  - The difference between the amount recorded as share capital issued and the amount of share capital of the Transferor Company amounting to ₹ 127,399,310 has been adjusted with the Securities Premium Reserve in the financial statements.

**35 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 ₹ 9,619,510 (31 March 2017: ₹ 2,537,872). Based on the management assessment, crystallization of liability on these items is not considered probable and hence not acknowledged as debt by the Company.
- (b) Corporate Guarantee provided to IndusInd Bank towards partnership agreement for ₹ 7,500,000 (31 March 2017: ₹ 7,500,000).
- (c) The details of credit enhancement provided in respect of securitisation transaction outstanding as at 31 March 2018 has been provided in note 30(iv).
- (d) Capital commitment for purchase/ development of tangible and intangible asset (net of advances) ₹ 9,731,128 (31 March 2017: ₹ 1,000,000).

**36 Earnings per equity share [EPES]**

	Year ended 31 March 2018	Year ended 31 March 2017
a) Profit considered for computation of basic and diluted EPES	296,661,616	274,627,044
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	88,510,170	56,479,401
Add: Effect of shares issued under ESOP scheme	2,255	27,086
Weighted average number of shares considered for computation of diluted EPES	<u>88,512,425</u>	<u>56,506,487</u>
c) Earnings per equity share [EPES]		
Basic EPES	3.35	4.86
Diluted EPES	<u>3.35</u>	<u>4.86</u>

**37 Foreign Currency Disclosures**

	31 March 2018	31 March 2017
a) Earnings in foreign currency		
Grant income	5,089,272	138,803
	<u>5,089,272</u>	<u>138,803</u>
b) Unhedged foreign currency exposure		
	As at 31 March 2018	As at 31 March 2017
	Foreign currency	Foreign currency
	Amount	Amount
Grant Receivable	-	1,968
	<u>-</u>	<u>138,803</u>
		<u>138,803</u>





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

	31 March 2018	31 March 2017
(a) Gross amount required to be spent during the year	5,997,398	3,555,645
(b) Amount spent during the year on purposes other than construction/acquisition of any asset		
Paid	5,966,871	3,624,909
Yet to be paid	185,000	-
Total	6,151,871	3,624,909

### 39 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.

- 40 Lease payments made under cancellable operating lease amounting to ₹ 48,867,196 (31 March 2017: ₹ 29,520,433) disclosed as rent and the same has been recognised as an expense in the statement of profit and loss.
- 41 The company has taken on operating lease certain office premises for a period of 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 ₹ 9,698,898 (31 March 2017 : ₹ 6,180,247)


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

Particulars	31 March 2018	31 March 2017
Not later than one year	9,328,845	8,245,125
Later than one year but not later than five years	10,359,368	6,135,061
Later than 5 years		

- 42 The figures for year ended 31 March 2018 are not comparable with the previous year figures due to the effect of the Scheme (refer Note 34).
- 43 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 Chandio & Co LLP  
Chartered Accountants

  
per Anamitra Das  
Partner

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

Manoj Kumar Nambiar  
Managing Director

Anirudh Singh G Thakur  
Company Secretary

Anurag Agrawal  
Director

Milind Nare  
Chief Financial Officer

Place: Kolkata  
Date: 27 April 2018

Place: Kolkata  
Date: 27 April 2018

