

NOTICE

Notice is hereby given that the **Extra Ordinary General Meeting (EGM)** of the members of Arohan Financial Services Limited (“**Arohan**” or the “**Company**”) will be held on Wednesday, March 29, 2023, at 15:00 HOURS (IST) through Video Conferencing (‘VC’)/Other Audio-Visual Means (‘OAVM’) facility at a **shorter notice** to transact the following business:

SPECIAL BUSINESS:

1. **RECLASSIFICATION OF AUTHORISED SHARE CAPITAL & CONSEQUENT AMENDMENT TO THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.**

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 (along with any rules thereunder, including any statutory modification(s) or re-enactment thereof for time being in force and as may be enacted from time to time) (“Act”), and the Articles of Association of the Company (AOA), as agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee and sub-committee which the Board may have constituted or shall hereinafter constitute

to exercise its powers including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to re-classify the existing authorized share capital of the Company being INR 2,25,00,00,000/- (Indian Rupees Two Hundred Twenty Five Crore only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) shares of INR 10/- (Indian Rupees Ten only) each divided into 18,00,00,000 (Eighteen Crore) Equity shares of INR 10/- (Indian Rupees ten only) each, and 4,50,00,000 (Four Crore Fifty Lakh) Compulsorily Convertible Preference Shares of INR 10/- (Indian Rupees Ten only) each to-

INR 2,25,00,00,000/- (Indian Rupees Two Hundred Twenty Five Crores only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) shares of INR 10/- (Indian Rupees Ten only) each divided into 14,50,00,000 (Fourteen Crores Fifty Lakhs) Equity shares of INR 10/- (Indian Rupees ten only) each, and 8,00,00,000 (Eight Crore) Compulsorily Convertible Preference Shares of INR 10/- (Indian Rupees Ten only).

“RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

“V. That the Authorized Capital of the Company is INR 2,25,00,00,000/- (Indian Rupees Two Hundred and Twenty Five Crore only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) shares of INR 10/- (Indian Rupees Ten only) each divided into 14,50,00,000 (Fourteen Crores Fifty

Lakhs) Equity shares of INR 10/- (Indian Rupees Ten only) each, and 8,00,00,000 (Eight Crore) Compulsorily Convertible Preference Shares of INR 10/- (Indian Rupees Ten only) each, with power to the Board to increase or reduce from time to time.”

with the power to the Board to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company (AOA) and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company and the Act.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Managing Director, the Chief Financial Officer and the Company Secretary are severally, on behalf of the Company, be and are hereby authorized to sign, execute, amend, deliver all such agreements, documents, deeds or instruments as may be required in this regard, as well as amendments or supplements thereto and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, and to make any filings, furnish any returns and/or reports in Form SH-7, Form MGT-14 or such other document as applicable or submit any other documents to any regulatory or governmental authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and execute all documents, papers,

instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Board in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Board, as the case may be.”

"RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any director or company secretary of the Company be furnished to such persons and be filed with the Registrar of Companies, as may be deemed necessary."

2. APPROVAL OF RELATED PARTY TRANSACTION WITH SHIVALIK SMALL FINANCE BANK LIMITED

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transactions and as

agreed to by the Audit Committee and Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee and sub-committee which the Board may have constituted or shall hereinafter constitute to exercise its powers including the powers conferred by this resolution), the approval of the shareholders of the Company be and is hereby accorded to enter into arrangements/transactions/contracts with Shivalik Small Finance Bank Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to transactions the details of which are more particularly set below, provided however that the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with the Related Party and remaining outstanding at any one point in time shall not exceed the limits mentioned below during any one financial year, provided that the said transactions are entered into/ carried out on arm’s length basis and on such terms and conditions as may be considered appropriate by the Board of Directors;

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount
Shivalik Small Finance Bank Limited	Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations	Securitization Transaction	Upto INR 100 Crore

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Managing Director, the Chief Financial Officer and the Company Secretary are severally, on behalf of the Company, be and are hereby authorized to sign, execute, amend, deliver all such agreements, documents, deeds or instruments as may be required in this regard, as well as amendments or supplements thereto and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and execute all documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Board in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Board, as the case may be.”

"RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any director or company secretary of the Company be furnished to such persons and be filed with the Registrar of Companies, as may be deemed necessary."

3. **TO ISSUE CUMULATIVE COMPULSORY CONVERTIBLE PREFERENCE SHARES ON A PREFERENTIAL BASIS THROUGH PRIVATE PLACEMENT**

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 55, and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (along with any rules thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) (the "**Act**") and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 9 and Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, each as amended from time to time, and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated ("**FEMA**"), and rules, circulars, notifications, regulations and guidelines issued under FEMA including Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (as amended), all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India (the "**RBI**"), and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and as agreed to by

the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee and sub-committee which the Board may have constituted or shall hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the shareholders of the Company be and is hereby accorded to create, issue, offer and allot up to 78,23,529 Cumulative Compulsory Convertible Preference shares of the Company having face value of INR 10/- (Indian Rupees Ten only) each (“CCPS”) at an issue price of INR 85/- (Indian Rupees Eighty Five only) per CCPS (including a premium of INR 75/- (Indian Rupees Seventy Five only) per CCPS aggregating to up to INR 66,50,00,000/- (Indian Rupees Sixty Six Crores and Fifty Lakhs only), on a preferential basis through private placement, to the person identified below:

Sl. No.	Details of Subscriber	Maximum Number of CCPS	Issue Price (Amount in INR)	Maximum Consideration (Amount in INR)
1.	Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	78,23,529	85/-	Upto 66,50,00,000/- (Indian Rupees Sixty Six Crores and Fifty Lakhs Only)

on the terms as set forth in **Part I of Annexure A** (Terms of CCPS) hereunder.”

“RESOLVED FURTHER THAT the details as required pursuant to the provisions of Section 55 of the Companies Act, 2013 read with Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, are also covered under **Part II of Annexure A** (Details of CCPS).”

“RESOLVED FURTHER THAT the draft of the private placement offer cum application letter in Form No. PAS-4 as prepared in accordance with the provisions of the Companies Act, 2013 (along with any rules thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) (the “**Act**”) along with necessary documents as tabled at the meeting and duly initialed by the Company Secretary for the purpose of identification be and is hereby approved and the consent of the members of the Company is hereby accorded to any director or Company Secretary of the Company for issuance of the same and circulation to the proposed allottee; and a draft record of the private placement offer in Form PAS-5 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as tabled at the meeting and duly initialed by the Company Secretary for the purpose of identification be and is hereby approved.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue, allotment of the CCPS, any director, Chief Financial Officer and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem

necessary and desirable for such purpose, including without limitation preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance and allotment of the CCPS, as may be required, issuing clarifications on the issue and allotment of the CCPS, resolving any difficulties, effecting any modifications, changes, variations, alterations, additions and/or deletions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the CCPS and as the Board may, in its absolute discretion, deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise.”

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

“RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors and/or officer(s) of the Company.”

“RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary.”

By order of the Board of Directors

Date: March 23, 2023

Anirudh Singh G Thakur

Place: Kolkata

Head- Legal, Compliance & Company Secretary

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 & December 28, 2022 respectively ("MCA Circulars"), permitted holding of the EGM through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (along with any rules thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) ('the Act') and applicable MCA Circulars, the EGM of the Company is being conducted through VC/OAVM (hereinafter called as 'e-EGM').
2. The deemed venue for e-EGM shall be the registered office of the Company i.e. PTI Building, 4th Floor, DP-9, Sector-V, Salt Lake, Kolkata – 700091.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS e-EGM IS BEING**

HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS *e*-EGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF *e*-EGM ARE NOT ANNEXED TO THIS NOTICE.

4. Members attending the *e*-EGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Institutional/Corporate Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization, etc., authorizing their representative to attend the *e*-EGM on its behalf and to vote in the *e*-EGM.
6. Explanatory Statement pursuant to Section 102 of the Act, is attached with this Notice of *e*-EGM.
7. The facility of joining the *e*-EGM through VC /OAVM will be opened 30 minutes before and will be open up to 15 minutes after the scheduled start time of the *e*-EGM, i.e. from 14:30 HOURS (IST) to 15:15 HOURS (IST).

8. Notice of the *e*-EGM is being sent only through electronic mode to the Members whose e-mail address is registered with the Company or the Depository Participant(s). Notice calling the *e*-EGM has been uploaded on the website of the Company at www.arohan.in.
9. To receive communications through electronic means, including Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with compliance@arohan.in
10. The transfer of securities (except transmission or transposition of shares) of the Company shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to members holding shares in physical form and requesting them to dematerialise their physical holdings.
11. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty

and elimination of any possibility of loss of documents and bad deliveries.

12. The Company has been maintaining, *inter alia*, the following statutory registers at its registered office at PTI Building, 4th Floor, DP-9, Sector-5, Salt Lake, Kolkata-700091:
- i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act;
 - ii) Register of directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the applicable MCA circulars, the said registers will be made accessible for inspection through electronic mode, and shall remain open and be accessible to any member during the continuance of the meeting.

13. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance to compliance@arohan.in during the period starting from March 25, 2023 (10:00 a.m.) to March 28, 2023 (6:00 p.m.). The queries may be raised precisely and in brief to enable the Company to answer the same suitably at the meeting.

14. Instructions for joining the *e*-EGM are as follows:

- Members will be able to attend the *e*-EGM through VC/OAVM provided by the Company.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence must use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- Members who need technical assistance before or during the *e*-EGM can contact the Company Secretary/Secretarial Department at +91 9883733233/8981444132/9038329510.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE DATED MARCH 23, 2023 (THE “NOTICE”)

As required under Section 102 of the Companies Act, 2013 (including any statutory modifications) thereto or reenactments made thereunder, if any, for the time being force (the “Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item number 1, 2 & 3 of the accompanying Notice:

ITEM NO. 1 RECLASSIFICATION OF AUTHORISED SHARE CAPITAL & CONSEQUENT AMENDMENT TO THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.

The Board of Directors, in their meeting held on March 23, 2023, approved the issue of Cumulative Convertible Preference Shares through private placement, subject to the approval of the Shareholders of the Company. In view of the proposed issue of the preference shares, it is proposed that the Authorised Share Capital of the Company be reclassified as mentioned in the resolution set out in Item no: 1 of this Notice.

The Articles of Association of the Company, permits the Company to alter its Authorised Share Capital. The proposed change of capital clause requires the

approval of shareholders through Special Resolution pursuant to the applicable provisions of the Companies Act, 2013.

The Board at its meeting held on March 23, 2023, considered and approved the reclassification of the authorised Share Capital of the Company and consequent amendment to the Memorandum of Association of the Company, subject to the approval of the shareholders.

As required by Section 102(3) of the Companies Act, 2013, the copy of the proposed Memorandum of Association is attached and marked as **Annexure B** herewith and the same shall be available for inspection at the Registered Office of the Company during business hours from 9:30 A.M. to 6:30 P.M.

The Board of Directors recommends passing of the resolution as set out at item no. 1 of this Notice as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or the relatives thereof are concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

**ITEM NO. 2: APPROVAL OF RELATED PARTY TRANSACTION
WITH SHIVALIK SMALL FINANCE BANK LIMITED**

Mr. Dinesh Kumar Mittal, the Chairman of the Company, has been appointed as Director in the Board of Shivalik Small Finance Bank limited, w.e.f September 19, 2022 and holds 30% Shareholding in that Company.

According to the Section 2(76)(v) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, “related party” with reference to a company, means—

a public company in which a director or manager is a director or and holds along with his relatives, more than two per cent of its paid-up share capital;

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all Material Related Party Transaction (‘RPT’) with an aggregate value exceeding INR 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. Accordingly, the Company entering into transaction with Shivalik Small Finance Bank limited amounting upto INR 100 Crores, which is exceeding 10% of annual consolidated turnover (INR 90.17 Crores) of the Company as per the last audited financial statements

of the Company, shall be considered as material transaction, and as such will require the approval of the shareholders to enter into arrangements/transactions/contracts with the related party.

Thus, as per the above stated provisions of the Companies Act and SEBI (LODR) Regulations, 2015, Mr. Dinesh Kumar Mittal becoming the director of Shivalik Small Finance Bank Limited and holding 30% shareholding and also being the chairman of the Arohan Financial Services Limited falls under the definition of Related Party and hence any transaction entered into by the Company with Shivalik Small Finance Limited falls under the Related Party Transaction.

Thus, Shivalik Small Finance Bank limited is to be considered as Related Party as per Section 2(76)(v) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from September 19, 2022.

Information pursuant to SEBI circular no. SEBI/ HO/ CFD/ CMD1/ CIR/P /2021/662 dated November 22, 2021

Sn.	Description	Details
1.	Details of Summary of information provided by the management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Shivalik Small Finance Bank Limited and it is a Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations
b.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Dinesh Kumar Mittal is a Director in the Board of Shivalik Small Finance Bank Limited
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	As per Annexure C
d.	Value of Transaction	As per Annexure C
e.	Annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	INR 90172.57 Lakhs

2.	Justification for the transaction	The Company being a NBFC, it is a normal routine transaction.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	(i) details of the source of funds in connection with the proposed transaction	As mentioned in Annexure C
	(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and – tenure	
	(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	
	(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	

4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The Company being a NBFC company, it is a routine transaction. The proposed RPTs are in arm's length basis and in the ordinary course of business. Further, refer Annexure C
5.	Rationale / Benefit of the transaction and why this transaction is in the interest of the Company	As per Annexure C
6.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice and Annexure- C

Further, the details of the transaction are hereunder:

- **The name of the related party and nature of relationship:-**

Name:- Shivalik Small Finance Bank Limited

Nature of Relationship:- Related Party as per Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI(Listing Obligations and Disclosure Requirements).

- **the nature, duration of the contract and particulars of the contract or arrangement;- As per Annexure “C”**
- **the material terms of the contract or arrangement including the value, if any;- As per Annexure “C”**
- **any advance paid or received for the contract or arrangement, if any;- Nil.**
- **the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;- As per the Market Price.**
- **whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;- All factors relevant to the Contract have been considered.**
- **any other information relevant or important for the members to take a decision on the proposed transaction.:- NIL**

The Board of Directors recommends passing of the resolution as set out at item no. 2 of this Notice as an Ordinary Resolution.

Except Mr. Dinesh Kumar Mittal and his relatives, none of the other Directors or Key Managerial Personnel of the Company or the relatives thereof are concerned or interested financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO. 3: TO ISSUE CUMULATIVE COMPULSORY CONVERTIBLE PREFERENCE SHARES ON A PREFERENTIAL BASIS THOROUGH PRIVATE PLACEMENT

In order to augment Tier – I Capital to sustain the projected business growth and for meeting requirements of funds for other general corporate purposes, the Company proposes to raise capital up to INR 66,50,00,000/- (Indian Rupees Sixty Six Crores and Fifty Lakhs Only by issuing up to 78,23,529 Cumulative Compulsory Convertible Preference Shares (“CCPS”) on preferential basis through private placement at an issue price of INR 85/- (Indian Rupees Eighty-Five only) per CCPS, which includes INR 75/- (Indian Rupees Seventy Five only) as premium, to the following person:

Sl. No.	Details of Subscriber	Maximum Number of CCPS	Issue Price (Amount in INR)	Maximum Consideration (Amount in INR)
1.	Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	78,23,529	85/-	Upto 66,50,00,000/- (Indian Rupees Sixty Six Crores and Fifty Lakhs Only)

The Board of Directors at its meeting held on March 23, 2023, has subject to the approval of the members approved the issuance of CCPS on a preferential basis through private placement to the aforesaid identified person.

Pursuant to the provisions of Sections 23, 42, 55 and 62(1)(C) of the Act and the rules made thereunder, the proposed issuance of CCPS on a preferential basis through private placement requires the approval of the members by way of a special resolution. Accordingly, the proposed resolution is recommended for the consideration of and approval by the shareholders of the Company by passing special resolution in the meeting. The PAS-4 is available on the website of the Company.

Further details of the proposed offer are disclosed below:

The following disclosures for the issue of CCPS on preferential basis through private placement are made in accordance with the provisions of Section 42, 55 and 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 9 and Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014:

1. Particulars of the offer including date of passing of Board Resolution / The size of the issue and number of preference shares to be issued and nominal value of each share:

The Board has pursuant to its resolution dated March 23, 2023 accorded its approval for raising funds by issuing up to 78,23,529 Cumulative Compulsory Convertible Preference shares (“CCPS”) of face value of INR 10/- (Indian Rupees Ten only) each, at an issue price of INR 85/- (Indian Rupees Eighty Five only) per CCPS including a premium of INR 75/- (Indian Rupees Seventy Five only) per CCPS, aggregating to up to INR 66,50,00,000/- (Indian Rupees Sixty Six Crores and Fifty Lakhs Only), on preferential basis through private placement.

2. The objects of the issue / Purposes or objects of the offer:

The proceeds from the issue will be utilized for the purpose of augmenting the Tier I capital, and for meeting requirements of funds for general corporate purposes of the Company.

3. The total number of shares or other securities to be issued:

Up to 78,23,529 Cumulative Compulsory Convertible Preference shares (CCPS).

4. Kinds of securities offered and the price/price band at which security is being offered / the allotment is proposed:

Cumulative compulsory convertible preference shares (CCPS) at an issue price of INR 85/- (Indian Rupees Eighty Five only) including a premium of INR 75/- (Indian Rupees Seventy Five only) per CCPS.

5. Basis or justification on which the price has been arrived at (including premium) at which the offer or invitation is being made, along with report of the registered valuer:

Price arrived as per Fair Value method. A copy of the valuation report dated February 15, 2023 shall be available for inspection at the Registered Office of the Company during business hours from 9:30 A.M. to 6:30 P.M.

6. Name and address of valuer who performed valuation:

The valuation of the Equity Shares has been carried out by Ms. Madhumita Karar, Registered Valuer, [Reg No- IBBI/RV/06/2018/10341] having its office at Chatterjee International Centre, 17th Floor, Flat No. 13A, 33A, J.L Nehru Road, Kolkata- 700071. The valuation report is dated February 15, 2023.

7. Relevant date with reference to which the price has been arrived at:

February 15, 2023

8. Amount which the company intends to raise by way of such securities:

Up to INR 66,50,00,000/- (Indian Rupees Sixty Six Crores Fifty Lakhs Only).

9. Material terms of raising such securities / The terms of issue, including terms and rate of dividend on each share, etc. / The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:

CCPS shall have the terms set out in **Annexure A**.

10. Proposed time schedule of the offer:

The offer for issue of CCPS will be valid for a period of 120 (One Hundred and Twenty) days from the date of issue of private placement offer cum application letter and will lapse on the earlier of: (i) the expiry of 120 (One Hundred and Twenty) days from the date of issue of private placement offer cum application letter; or (ii) the receipt of acceptance letter from the offeree along with the subscription consideration.

11. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects:

No contribution is being made by the promoters or directors either as part of the offer or separately in furtherance of objects.

12. Principle terms of assets charged as securities:

Not Applicable.

13. The class or classes of persons to whom the allotment is proposed to be made:

Allotment to specific identified investor (in the Non-Promoter category) - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)

14. Intention of promoters, directors or key managerial personnel to subscribe to the offer:

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to any of the CCPS proposed to be issued.

15. The proposed time within which the allotment shall be completed:

In accordance with the timelines agreed to by and between the Company and the Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) within the relevant transaction documents, subject to applicable law.

16. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

The CCPS are being issued to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO). For post conversion percentage shareholding, please refer to **Annexure D**.

17. The change in control, if any, in the Company that would occur consequent to the preferential offer:

No change of control shall occur consequent to the proposed issue.

18. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

(a) Issue and allotted 1,150 (One Thousand One Hundred and Fifty) secured, rated, listed, redeemable and transferable non-convertible debentures having face value of INR. 10,00,000/- (Indian Rupees Ten Lakhs only) each amounting up to INR. 115,00,00,000/- (Indian Rupees One Hundred and Fifteen Crores only) to Blue Orchard Microfinance Fund.

(b) Further, Issue and allotted 1,85,00,412 Cumulative Compulsory Convertible Preference Shares at an issue price of INR 85/- (Indian Rupees Eighty Five only) per CCPS (including a premium of INR 75/-) (Indian Rupees Seventy Five only) per CCPS aggregating to INR 1,57,25,35,020 /- (Indian Rupees One Hundred and Fifty Seven Crores

Twenty Five Lakhs Thirty Five Thousand and Twenty only) to Teachers Insurance And Annuity Association Of America.

(c) Further, issue and allotted 1,07,10,765 Cumulative Compulsory Convertible Preference Shares at an issue price of INR 85/- (Indian Rupees Eighty Five only) per CCPS (including a premium of INR 75/-) (Indian Rupees Seventy Five only) per CCPS aggregating to INR 91,04,15,025/- (Indian Rupees Ninety One Crores Four Lakhs Fifteen Thousand and Twenty five only) to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO).

19. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable.

20. The pre issue and post issue shareholding pattern of the company:

Please refer to **Annexure D**

21. The nature of such shares i.e. cumulative or non – cumulative, participating or non – participating, convertible or non – convertible
Cumulative and compulsorily convertible preference shares.

22. The manner of issue of shares:

The CCPS shall be issued for cash and in dematerialized form.

23. The manner and modes of redemption

CCPS are compulsorily convertible into equity shares of the Company in accordance with terms specified in **Annexure A.**

24. The expected dilution in equity share capital upon conversion of preference shares:

Please refer to **Annexure D**

The Board of Directors recommends passing of the resolution as set out at item no.3 of this Notice as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or the relatives thereof are concerned or interested in these resolutions except to the extent of their shareholding in the Company, if any.

As required by Section 102(3) of the Companies Act, 2013, the documents with regard to the preferential issue shall be available for inspection at the registered office of the Company during business hours from 9:30 A.M. to 6:30 P.M on all working days.

By order of the Board of Directors

Date: March 23, 2023

Anirudh Singh G Thakur

Place: Kolkata

Head- Legal, Compliance & Company Secretary

ANNEXURE “A” - TO THE NOTICE

PART I- Terms of CCPS

1. TERMS OF THE FMO PRIMARY SHARES

The FMO Primary Shares are issued with the following characteristics, including certain rights vested in the holder of the FMO Primary Shares and shall be *mutatis mutandis* reproduced in the Articles of Association:

1. Definitions:

Assam Write-Back (Tax Affected) means any proceeds that may be collected by the Company pursuant to the Assam Microfinance Incentive and Relief Scheme until 30 September 2023 and recorded in the book value of the Company in accordance with Ind AS, as adjusted for the marginal tax rate applicable to the Company;

Big Four means any of the following audit and accounting firms: (i) PriceWaterhouseCoopers; (ii) KPMG; (iii) Ernst and Young; and (iv) Deloitte Touche Tohmatsu, or any of their Indian associate firms, or any other reputed audit firm, in each case acceptable to FMO;

Conversion Event means any of the events set out in Paragraph 7(a) below;

Conversion Valuation means the equity valuation of the Company used for conversion of the FMO Primary Shares into Equity Shares;

Dividend has the meaning as set out in Paragraph 5 of this **SCHEDULE 3**;

Deloitte Analysis means an analysis, as of March 31, 2023, of the estimated expected credit loss of the Company and additional provisions that have not been already taken into account by the Company, on the same cohort of borrowers used earlier and based on the same methodology, and on the same principles as specified in the report titled “Project Udaan Draft Key Issues Report” dated 17 August 2022 prepared by Deloitte Touche Tohmatsu India LLP, which has been provided by the Company to FMO on a reliance basis, as adjusted for the marginal tax rate applicable to the Company;

Exchange Rate means the rate at which USD amount shall be exchanged into INR or vice-versa, based on the conversion rates reported by the Reserve Bank of India for 2 November 2022 (appearing on <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>);

Full Equity Infusion means infusion into the Company of an aggregate amount which is the INR equivalent of USD 70 million (as calculated at the Exchange Rate) which shall include all investment(s) received on and from October 1, 2022 from external institutional investor(s) (not being related parties of the Promoters) towards subscription to the Equity Shares and/or compulsorily convertible Preference Shares issued by the Company, including infusion of the investment amount towards subscription of the TIAA Primary Shares, FMO Primary Shares, subscription of compulsorily convertible Preference Shares by FMO pursuant to the share subscription agreement dated February 7, 2023,

and any proceeds received by the Company pursuant to the Assam Write-Back (Tax Affected);

For the purposes of this definition, it is hereby clarified that any primary capital raise pursuant to the Full Equity Infusion undertaken by the Company from any Person other than Teachers Insurance and Annuity Association of America and FMO may include a secondary purchase of Securities from the Shareholders, provided however that, at all times, any such secondary purchase of Securities from the Shareholders shall not be counted towards calculation of the Full Equity Infusion amount into the Company, being the INR equivalent of USD 70 million (as calculated at the Exchange Rate).

Qualified Investment Raise means a single external investment into the Company (and shall include a secondary purchase of Securities from the Shareholders) by not more than 1 (one) external institutional investor (along with its Affiliates) of an aggregate amount that is equal to or greater than the INR equivalent of USD 25 million (as calculated at the Exchange Rate), where such single investment is undertaken at a priced round/ pre-determined equity valuation for the Company by 31 March 2024, and at least 50% (fifty per cent) of such investment amount is in the form of primary capital raise in the Company; and

XIRR means the extended internal rate of return calculated using the “XIRR” function in Microsoft Excel.

2. **General:** The FMO Primary Shares shall be fully paid compulsorily convertible Preference Shares having face value of INR 10 (Indian Rupees ten only) each, and issued in accordance with the terms and

conditions set out herein.

3. **Equity Shares:** The number of Equity Shares to be issued to the holder of the FMO Primary Shares upon conversion shall, subject to the other terms and conditions set forth in this Agreement, be as set out in Paragraph 7 below.
4. **Voting Rights:** The FMO Primary Shares shall carry voting rights to the extent permitted under applicable law.
5. **Dividend:**
 - (a) Subject to applicable law, up to the date of conversion, each FMO Primary Share shall carry a right to receive an annual cumulative dividend (“**Dividend**”) at the rate of 0.001% (zero point zero zero one percent) per annum till such time that the FMO Primary Shares are outstanding (“**Dividend Rate**”), as and when declared by the Board.
 - (b) The Dividend shall be declared prior to and in preference to any declaration of dividend to the holders of the Equity Shares.
 - (c) Upon conversion of the FMO Primary Shares into Equity Shares, the holders of the FMO Primary Shares shall be entitled to participate in the dividend declared on the Equity Shares on a *pari passu* basis with the holders of all other Equity Shares.
6. **Transfer Restrictions:** The FMO Primary Shares shall be subject to the transfer restrictions as set out in the Shareholders Agreement which shall

mutatis mutandis be deemed to be incorporated herein by reference in the Agreement (including this Schedule).

7. **Conversion:**

- (a) The FMO Primary Shares shall compulsorily convert into Equity Shares on the earlier of occurrence of any of the following events:
 - (i) upon the occurrence of the Full Equity Infusion Event which includes a Qualified Investment Raise having occurred at a priced round/pre-determined valuation of the Company, at any time on or before 31 March 2024 (“**Scenario 1 Conversion Event**”); or
 - (ii) upon the occurrence of the Full Equity Infusion Event which does not include a Qualified Investment Raise having occurred, at any time on or before 31 March 2024 (“**Scenario 2 Conversion Event**”); or
 - (iii) upon the non-occurrence of the Full Equity Infusion Event at any time by 31 March 2024 (“**Scenario 3 Conversion Event**”);
- (b) Upon the occurrence of the Scenario 1 Conversion Event, the FMO Primary Shares shall be compulsorily converted into Equity Shares, and the Conversion Valuation for Scenario 1 Conversion Event shall be computed in a manner that provides FMO an XIRR of 25% per annum (twenty five percent per annum) calculated in INR from the date of the infusion of the FMO Primary Investment Amount and until the date of occurrence of Scenario 1 Conversion

Event or until March 31, 2024 if there is execution of the binding transaction documents as stipulated in this sub-clause 7(b)(iii) below, whichever is earlier (both dates included);

- (i) The Parties agree that the FMO Primary Shares shall be converted into Equity Shares within 7 (seven) days from the date of occurrence of the Scenario 1 Conversion Event, or such other extended timeline as may be mutually agreed between the Company and FMO in writing;
 - (ii) Notwithstanding anything to the contrary contained herein, the Conversion Valuation for Scenario 1 Conversion Event shall be subject to a minimum pre-money equity valuation floor of INR 1,500 crores and a maximum pre-money equity valuation cap of INR 2,000 crores;
 - (iii) The Parties agree that in case the Full Equity Infusion Event has not been consummated in accordance with and within the timeline specified under Paragraph 7(a)(i) above but binding transaction documents to fulfil the requirement under Paragraph 7(a)(i) have been executed by the Company by 31 March 2024, then FMO shall have the right, at its sole discretion, to extend the time period for fulfilment by the Company of the requirements of Scenario 1 Conversion Event.
- (c) Upon the occurrence of the Scenario 2 Conversion Event, the FMO Primary Shares shall be compulsorily converted into Equity Shares and the Conversion Valuation for Scenario 2 Conversion

Event shall be the higher of: (A) pre-money equity valuation of the Company of INR 1,500 crores; or (B) 1.8x of the book value of the Company as of March 31, 2023 as determined by one of the Big Four accounting firms jointly appointed by the Company and FMO at the cost of the Company, and calculated in accordance with the guidelines set out herein:

- (i) The Parties agree that the book value of the Company as of March 31, 2023 for the purpose of sub-Paragraph (c) shall be calculated by: (1) excluding any fresh equity infusion undertaken by the Company during the Financial Year ending March 31, 2023, and (2) including the impact from proceeds received by the Company pursuant to the Assam Write-Back (Tax Affected) minus any adjustments required pursuant to the Deloitte Analysis, where both the Assam Write-Back (Tax Affected) and the Deloitte Analysis shall be adjusted for the marginal tax rate as applicable to the Company;
- (ii) The Parties agree that the FMO Primary Shares shall be converted into Equity Shares within 30 (thirty) days from the date of occurrence of the Scenario 2 Conversion Event, or such other extended timeline as may be mutually agreed between the Company and FMO in writing;
- (iii) Notwithstanding anything to the contrary contained herein, the Conversion Valuation for Scenario 2 Conversion Event shall be subject to a maximum pre-money equity valuation

- cap of INR 2,000 crores;
- (iv) The Parties agree that in case the Full Equity Infusion Event has not been consummated in accordance with and within the timeline specified under Paragraph 7(a)(ii) above but binding transaction documents to fulfil the requirement under Paragraph 7(a)(ii) have been executed by the Company by 31 March 2024, then FMO shall have the right, at its sole discretion, to extend the time period for fulfilment by the Company of the requirements of Scenario 2 Conversion Event.
- (d) Upon the occurrence of the Scenario 3 Conversion Event, the FMO Primary Shares shall be compulsorily converted into Equity Shares and the Conversion Valuation for Scenario 3 Conversion Event shall, subject to applicable law, be equivalent to a floor of 1x of the book value of the Company as of September 30, 2022, as specified in a certificate from the statutory auditor of the Company (including a confirmation on the expected credit loss amounts by the statutory auditor of the Company) provided to FMO to its satisfaction no later than 3 (three) days from the date of occurrence of the Scenario 3 Conversion Event;
- (i) The Parties agree that the FMO Primary Shares shall be converted into Equity Shares within 7 (seven) days from 31 March 2024, or such other extended timeline as may be mutually agreed between the Company and FMO in writing;

- (ii) Notwithstanding anything to the contrary contained herein, the Conversion Valuation for Scenario 3 Conversion Event shall not be less than the fair market value of the Company at the time of issuance of the FMO Primary Shares.
- (e) Subject to completion of Conditions Precedent as specified in Clause 4.3 of this Agreement and issuance of Closing Notice in accordance with Clause 4.4.1 of this Agreement, if the Closing as contemplated in this Agreement occurs later than 7 (seven) Business Days from the later of:
 - (i) date of approval of the RBI (and any conditions imposed by RBI to be fulfilled including the mandatory notice period) or any other Indian Governmental Authority; or
 - (ii) date of approval / no-objection of the De Nederlandsche Bank;then upon the occurrence of either Scenario 1 Conversion Event or Scenario 2 Conversion Event or Scenario 3 Conversion Event (as the case may be), in addition to the mechanics of computation of Conversion Valuation set out in Paragraphs 7(b), 7(c) or 7(d) of this **SCHEDULE 3**, respectively, the conversion price of each FMO Primary Share at the time of such conversion into Equity Shares shall be determined after adding to the FMO Primary Investment Amount, an additional amount representing an internal rate of return of 25% per annum on the FMO Primary Investment Amount, computed using the “XIRR”

function in Microsoft Excel for the period commencing from 7 (seven) Business Days after the receipt of the last of the regulatory approvals as specified in Paragraph 7(e)(i) and 7(e)(ii) above or completion of conditions imposed by RBI, De Nederlandsche Bank and/or other Governmental Authority, as the case may be, until the Closing Date, and consequently the number of Equity Shares that FMO shall receive upon conversion of the FMO Primary Shares shall correspondingly decrease.

- (f) The Parties hereby acknowledge and agree that the conversion of the FMO Primary Shares into Equity Shares shall at all times be in compliance with applicable laws, including the applicable foreign exchange control regulations.
- (g) The Company shall take all actions necessary to facilitate and ensure the conversion of FMO Primary Shares to Equity Shares in accordance with this **SCHEDULE 3**.
- (h) The Company shall pay any and all documentary stamp or similar issue taxes payable in respect of the issue of the Equity Shares pursuant to the conversion of the FMO Primary Shares.
- (i) No fractional share shall be issued upon the conversion of any FMO Primary Shares, and the number of Equity Shares to be issued shall be rounded to the nearest whole share.
- (j) In the event that applicable law prevents FMO from receiving Equity Shares at the Conversion Valuation as set out in this **SCHEDULE 3**, the Promoters and the Company shall (and the



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Promoters shall procure that the Company shall) provide all necessary assistance, co-operation and support to FMO to identify and implement alternative arrangements such that FMO is able to achieve the shareholding in the Company that it would have achieved, and the economic benefits it would have received, had it received the Equity Shares at the Conversion Valuation as set out in this **SCHEDULE 3**.

PART II- DETAILS OF CCPS

Pursuant to the provisions of Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, the details regarding the CCPS (as defined above) to be issued to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) are as set out below:

a) the priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:

As mentioned in Terms of CCPS.

(b) the participation in surplus fund; and participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid:

As mentioned in Terms of CCPS.

(c) the payment of dividend on cumulative or non-cumulative basis:

The payment of dividend shall be on cumulative basis.

(d) the conversion of preference shares into equity shares:

As mentioned in Terms of CCPS.

(e) the voting rights:

As mentioned in Terms of CCPS.

(g) the redemption of preference shares.

Not applicable since the preference shares are compulsorily convertible into equity shares.

ANNEXURE “B”

**(THE COMPANIES ACT, 2013)
COMPANY LIMITED BY SHARES**

MEMORANDUM OF ASSOCIATION

OF

**AROHAN FINANCIAL SERVICES
LIMITED**

**THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION
Of
AROHAN FINANCIAL SERVICES LIMITED**

I. The Name of the Company is:- AROHAN FINANCIAL SERVICES LIMITED.

II. The Registered Office of the Company will be situated in the West Bengal.

III(A) **The objects to be pursued by the company on its incorporation are**
:—

1. “To carry on the business of providing a full range of financial services as may develop from time to time to low income or economically disadvantaged clients, organized in the form of individuals, groups of individuals including self-help groups, societies, merchants, traders, industries, commercial establishments, financial institutions, co-operative societies, non-governmental organizations, private, charitable and related entities. These services include all types of loans, hire purchase, leasing, discounting, mortgages, deposits, saving, investments, mutual funds, insurance, money transfer, venture capital remittances, credit facilities, and any other services, which may arise in the future, subject to the approval of the Reserve Bank of India and all other appropriate authorities.
2. To carry on the business of a Finance Company (not being a banking Company within the meaning of the Banking Regulations Act, 1949) and to provide or assist in providing financial assistance to all sections of society”
3. To carry on and undertake the business of insurance, including life

insurance and general insurance as intermediary or agent of other insurance companies, subject to the rules and regulations prescribed by the Insurance Regulatory and Development Authority and the Reserve Bank of India, Non-Banking Finance Companies Rules, as applicable to insurance business.

4. To carry on and undertake the business of research, consultancy, advisory services, technical assistance and training in the fields of: livelihood promotion, development finance, financial services, inter alia, loans, investments, leasing, hire purchase, housing finance, asset management, project finance, venture capital, mutual funds, insurance, money transfer, commodity futures and derivatives; social venture and investment funds; directly, or as intermediary for other companies or organizations.
5. To act as an issue house Registrars and Share Transfer Agents, promoters, financiers, underwriters, managers to issue, broker, agent for private sector and public sector shares, securities, bonds, debentures, units etc and to act as financial advisers, consultant, technical consultants or management consultants in various fields. To manage investment portfolio, mutual funds, syndicates in shares, stocks, securities, finance and real estates and to finance consumer loans and advance and to carry on every type of leasing business including property, equipment leasing, hire purchase financing and any other connected activities which may appear necessary or convenient for leasing business of the Company.

(B) Matters which are necessary for furtherance of the objects specified in clause III(A) are:—

1. To enter into agreements and contracts with Indian or Foreign individuals, companies or other organizations for technical, financial or other assistance for carrying out all or any of the objects of the Company.
2. To open an account or accounts with any individual, firm, or company or with any bank or financial institutions and to pay into and to

withdraw money from such account or accounts and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, letter of credit, hundies, bill of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments of all descriptions and to buy, sell and deal in the same.

3. To acquire by purchase, lease, exchange or otherwise; and buildings of any description whatsoever, and any estate or interest therein and any rights over or connected with the land and to turn the same to account as may be necessary for the purpose of the Company.
4. To Promote or acquire any other Company for the purpose of acquiring all or any property thereof or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
5. To acquire and undertake all or any part of the business, property or any liabilities of any person or Company carrying on or proposing to carry on any business which this company is authorized to carry on, or possessed of property suitable for the purpose of the Company, so as to directly or indirectly to benefit the Company.
6. To hold or otherwise acquire shares in any other Company having its objects altogether or in part similar to those of this company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
7. To amalgamate with any other company whose objects are or which includes objects similar to those of this Company whether by sale or purchase or otherwise.
8. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of the Company.
9. To apply for, purchase or otherwise, acquire any patents invention, licenses, concessions and the like conferring any exclusive or non-

exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company of the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, right or information so acquired.

10. To obtain any order or act of Legislation of Parliament for enabling any Company to obtain powers and authorities necessary or expedient to carry out or extend any of the objects of any Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which seem calculated, directly or indirectly to prejudice the Company's interest.
11. To invest and deal with moneys of the Company not immediately required upon in such shares and securities and in such manner as may from time to time be determined, but the company shall not carry on any banking business.
12. To borrow or raise or secure the payment of money from Banks and Financial Institutions in such manner as the Company shall think fit.
13. To enter into partnership or into any agreement for sharing profits, union or interests or cooperation, joint adventure, reciprocal concession or otherwise with any company, firm or persons carrying on or proposing to carry on any business within the objects of this company and to take or otherwise acquire and hold shares, stocks or securities in any such company.
14. To provide for the welfare of the employees, ex-employees, directors or ex-directors of the Company or its predecessors in business or the family members, dependents or connections of such persons by building or contributing to the building of houses, dwelling or quarters or by grants or money, pensions, gratuities, allowances, payment towards insurances, houses, profits shares, bonuses or benefits or any other payments or by establishing supporting or from time to time subscribing or contributing towards the places or instructions and

recreation, hospitals and dispensaries, medical and other attendances as the company shall think fit.

15. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of the Company.
16. To carry on any other business, industry or trade whether manufacturing; commercial or otherwise that may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights or which it may be advisable to undertake with a view to improving, rendering valuable or luring to account any property, real or personal, belonging to the Company or in which the Company may be interested.
17. To become member of or to enter into any arrangement with any institution, association or company carrying on or which may carry on research and other scientific work in or investigation in connection with all or any of the activities mentioned in the main objects or industry or other trades or industries allied therewith and to acquire shares of any such institutions, association or company and contribute towards the capital or funds thereof.
18. To carry on all or any of the business of buying agents, selling agents, commission agents, transporting agents, handling agents, estate agents, consignment agents, conversion agents, brokers, indenters, arhatias distributors, dealers, stockists traders, importers, exporters, assemblers, packers, transporters and to carry on all kinds of agency business as merchants and commission agents and to be appointed and act as buying or selling agents of any company or concern and to perform all and in singular, the general duties, services and authorities appertaining to such offices respectively or imposed by the terms of any agreement or agreements entered into for any of the purposes aforesaid.

19. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare, or social, economic or moral uplift of the public or any Section of the public and in such manner and by such means as the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers etc., for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarship, or loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust etc., having any one of the aforesaid objects, as one of its objects by giving donations otherwise in any other manner, and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes, transfer without consideration of at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any public institutions or Trust of Funds as approved by the Central Government or State Government or any other appropriate authority.

IV. The liability of the member(s) is limited.

- V. * That the Authorized Capital of the Company is INR 2,25,00,00,000/- (Indian Rupees Two Hundred and Twenty Five Crore only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) shares of INR 10/- (Indian Rupees Ten only) each divided into 14,50,00,000 (Fourteen Crore and Fifty Lakhs) Equity shares of INR 10/- (Indian Rupees Ten only) each, and 8,00,00,000 (Eight Crores) Compulsorily Convertible Preference Shares of INR 10/- (Indian Rupees ten only) each, with power to the Board to increase or reduce from time to time.”



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**The Shareholders of the Company at their Extra Ordinary General Meeting held on March [●], 2023 has approved the Alteration of Authorized Share Capital of the Company.*

Previous changes:

The Shareholders of the Company at their Extra Ordinary General Meeting held on January 22, 2021 has approved the Alteration of Authorized Share Capital of the Company.

The Shareholders of the Company at their Extra Ordinary General Meeting held on March 28, 2022 has approved the Reclassification of Authorized Share Capital of the Company.

**The Shareholders of the Company at their Extra Ordinary General Meeting held on November 18, 2022 has approved the Alteration of Authorized Share Capital of the Company.*

We, the several persons whose names, address and description are subscribed below are desirous of being formed into a company in pursuance of these Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names:

Name, Address & Description of Subscribers	No. Of Equity Shares taken	Name, Address and Description of Witness
Sd/- Arun Kumar Goenka S/o, Late R.N. Goenka Chartered Accountants 8,Lyons Range Calcutta- 700 001	100 (One Hundred)	Witness to both the signatories. Sd/- Gopal Kumar Chand S/o, Shri H.P. Chand 34A, Rattu Sarkar lane, Calcutta- 700 073 Service
Sd/- Sunita Goenka W/o, Shri A.K. Goenka 8,Lyons Range Calcutta- 700 001 Housewife	100 (One Hundred)	

Annexure C
Terms and Conditions of the Related Party Transaction

Issue

To consider and seek approval for the following

1. *To undertake securitization transaction with Shivalik Small Finance Bank (**Shivalik**) for a purchase consideration of upto INR 100 Cr*

Background

Arohan Financial Services Limited (AFSL) is in discussion with various lenders including Shivalik to undertake securitization transaction to mobilise resources.

Considering that any transaction including the proposed Securitization transaction with Shivalik is a Related Party Transaction (RPT) a comparative analysis with an independent neutral party is provided hereunder:

Parameters	Shivalik (Proposed)	IDFC First Bank (Comparative transaction)
Execution Date	By 31 March 2023	26 December 2022
Purchase consideration	Upto INR 100 Cr	INR 104 Cr
Coupon for A1 tranche	10.35%	10.35%
A2 tranche	0.00% of pool principal	0.00% of pool principal
Servicer fee	INR 10,000 plus applicable taxes	INR 10,000 plus applicable taxes
Credit Rating	A- from any of CARE / ICRA / Infomerics / Crisil / Indiaratings	A- (SO) from CARE

ANNEXURE – “D”

The pre issue and post issue shareholding pattern of the Company:

Sr. No	Category	Pre-issue(diluted basis)		Post-issue [This is after conversion of CCPS into Equity Shares on fully diluted basis]	
		No of shares held	% of share holding	No of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	--	-	-	-
	Bodies corporate	4,05,67,328	27.14	4,05,67,328	25.83
	Sub-total	4,05,67,328	27.14	4,05,67,328	25.83
2	Foreign promoters	-	-	-	-
	sub-total (A)	4,05,67,328	27.14	4,05,67,328	25.83
B	Non-promoters' holding	-	-	-	-
1	Institutional investors	9,25,75,398	61.94	10,01,52,018	63.77
2	Non-institution	-	-	-	-
	Private corporate bodies	22,48,156	1.50	22,48,156	1.43
	Directors and relatives	12,002	0.01	12,002	0.01
	Indian public	50,53,703	3.38	50,53,703	3.22

	others (including NRIs)	90,09,995	6.03	90,09,995	5.74
	Sub-total (B)	10,88,99254	72.86	11,64,75,874	74.17
	Grand Total	14,94,66,582	100	15,70,43,202	100