

**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 Monday, December 11, 2023, at 15:00 Hours (IST) through Video Conferencing (“**VC**”)/Other Audio-Visual Means (“**OAVM**”) facility at a shorter notice to transact the following businesses:

**SPECIAL BUSINESS:**

**1. APPROVAL OF THE RELATED PARTY TRANSACTION WITH NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. (FMO)**

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

“**RESOLVED THAT** pursuant to the applicable provisions of 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, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the Company’s policy on Related Party transaction(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), approval of the shareholders of the Company be and is hereby accorded to enter into arrangements/transactions/contracts with Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO), a related party within the meaning of 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 in the ordinary course of business of the Company and on such terms and conditions as may be considered appropriate by the Board of Directors;

<b>Name of Related Party</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount</b>
Nederlandse Financierings-Maatschappij Voor	Related Party within the meaning of	Issue of Non-Convertible Debentures	Upto INR 225 Crores

Ontwikkelingslanden N.V. (FMO)	Regulation 2(1)(zb) of the Listing Regulations		
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**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, 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."

**2. APPROVAL FOR CONTINUATION OF DIRECTORSHIP OF MR. RAJAT MOHAN NAG AS AN INDEPENDENT DIRECTOR OF THE COMPANY ON COMPLETION OF 75 YEARS OF AGE**

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

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with applicable Rules made thereunder (including any amendments thereto or re-enactment thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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), approval of the shareholders of the Company be and is hereby accorded for continuation of directorship of **Mr. Rajat Mohan Nag (DIN: 07083831)** as an Independent Director beyond the age of 75 years till the expiry of his current term i.e. January 30, 2025.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, any Director, CFO and the Company Secretary are, severally, on behalf of the Board, be and are hereby authorized 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 to negotiate, finalize 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 to accept and give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things 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 prior to the date hereof are hereby ratified, confirmed and approved as the act and deed 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."

**By Order of the Board of Directors  
For Arohan Financial Services Limited**

**Date: December 05, 2023  
Place: Kolkata**

**Anirudh Singh G Thakur  
Company Secretary & Chief Compliance Officer**

## NOTES

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 21/2021, 02/2022, 11/2022 and 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 & September 25, 2023 respectively ("MCA Circulars") and SEBI circulars, has 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 and SEBI 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, 4<sup>th</sup> Floor, DP-9, DP Block, 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 AND SEBI 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 pursuant to Section 113 of the Act 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 stating out the details relating to Special Business, 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 also been uploaded on the website of the Company at [www.arohan.in](http://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](mailto: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, 4<sup>th</sup> 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](mailto:compliance@arohan.in) during the period starting from December 08, 2023 (10:00 a.m.) to December 10, 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 allowed to use camera, if required, 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 9836845512/8981444132.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE DATED DECEMBER 05, 2023 (THE "NOTICE")**

As required under Section 102 of the Companies Act, 2013 (including any statutory modifications) thereto or re-enactments made thereunder, if any, for the time being in force (the "Act"), the following explanatory statement sets out all material facts relating to the business mentioned in the accompanying Notice:

**ITEM NO.1:**

**APPROVAL OF THE RELATED PARTY TRANSACTION WITH NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. (FMO)**

In order to meet funding requirements for expanding the microfinance loan portfolio of the Company, it is proposed to raise capital by issuing up to 22,500 (Twenty Two Thousand and Five Hundred) **senior, secured, unlisted Non-Convertible Debentures** ("NCDs") having a face value of INR 1,00,000 /- (Rupees One Lakh) each and aggregating up to INR 225 Crores (Rupees Two Hundred and Twenty Five Crores only) for cash, at par, in dematerialised form on a private placement basis to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO).

According to Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, FMO being a shareholder of the Company, is defined as a Related Party. Hence the transaction with FMO would be deemed to be a related party transaction.

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:

"Provided that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceeds Rupees One Thousand Crore or Ten Percent of the Annual Consolidated Turnover** of the listed entity as per the last audited financial statements of the listed entity, whichever is lower."

All Material Related Party Transaction ("RPT") shall require approval of shareholders by means of an ordinary resolution.

Accordingly, the Company entering into transaction with the FMO amounting upto INR 225 Crores, which is exceeding 10% of annual consolidated turnover (INR 1069.45 Crores) of the Company as per the last audited financial statements of the Company, shall be considered as Material Related Party Transaction and as such will require the approval of the shareholders to enter into arrangements/transactions/contracts with the related party.

Information pursuant to SEBI circular no. SEBI/ HO/ CFD/ CMD1/ CIR/P /2021/662 dated November 22, 2021 are mentioned herein below:-

Sn.	Description	Details
1.	<b>Details of Summary of information provided by the management to the Audit Committee</b>	
a.	Type, material terms and particulars of the proposed transaction	It is a Related party Transaction wherein the Company proposes to raise capital by issuing up to 22,500 (Twenty Two Thousand and Five Hundred) <b>senior, secured, unlisted Non-Convertible Debentures</b> (“NCDs”) having a face value of INR 1,00,000 /- (Rupees One Lakh) each and aggregating up to INR 225 Crores (Rupees Two Hundred and Twenty Five Crores only) for cash.  Brief Particulars are as follows:- (a) Rate of Interest (ROI) - FMO Reference Rate + Margin of 3.95% (b) Tenure - 48 months (c) Processing Fee - upto 1.00%
b.	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)	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) and it is a Related Party within the meaning of Regulation 2(1)(zb) of the Listing Regulations, 2015.
c.	Tenure of the Transaction	48 months
d.	Value of Transaction	Upto INR 225 Crores (Rupees Two Hundred and Twenty Five Crores only)



e.	Percentage of the Annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year, that is represented by the Value of Transaction	Approx 22%
2.	Justification for the transaction	The Company being a NBFC, borrowing through various instruments is a normal course of business.
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) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness and tenure	NA
	(ii) details of the source of funds in connection with the proposed transaction	
	(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.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	NA
5.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed	The Company being a NBFC company, it is a routine transaction. The proposed RPTs are on arm's length basis and in the ordinary course of business.

	transaction will be made available through registered email address of the shareholder	
6.	Rationale / Benefit of the transaction and why this transaction is in the interest of the Company	The Transaction is for a period of 4 years, which shall create a positive Asset Liability Mismatch gap, which shall help the Company to mitigate risk. Further, the transaction will help the Company to improve the liability profile and diversify the Company's lender base.
7.	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.

Further, the details of the transaction are hereunder:-

- The name of the related party and nature of relationship:-**  
 Name:- Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V (FMO)  
 Nature of Relationship:- Related Party as per Regulation 2(1)(zb) of the SEBI(Listing Obligations and Disclosure Requirements), 2015.
- the nature, duration of the contract and particulars of the contract or arrangement;-** As mentioned herein above. **the material terms of the contract or arrangement including the value, if any;-** As mentioned herein above. **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 in this Notice as Ordinary Resolution.

Except Ms. Rupa Rajul Vora, Nominee Director representing Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) and her 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.2: APPROVAL FOR CONTINUATION OF DIRECTORSHIP OF MR. RAJAT MOHAN NAG AS AN INDEPENDENT DIRECTOR OF THE COMPANY ON COMPLETION OF 75 YEARS OF AGE**

Mr. Rajat Mohan Nag (DIN: 07083831) was re-appointed as a Non-Executive Independent Director of the Company in terms of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') for a period of five years with effect from January 31, 2020 by the Members of the Company at the Extra - Ordinary General Meeting of the Company held on February 12, 2020.

In terms of the Regulation 17(1A) of SEBI Listing Regulations, consent of the members by way of special resolution is required for appointment or continuation of Directorship of a Non-Executive Director, beyond the age of 75 Years. Mr. Rajat Mohan Nag had attained the age of 75 years and approval of the Members are required for continuation of his directorship for the remaining period of his current tenure, i.e. till January 30, 2025.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajat Mohan Nag as an Independent Director. Further, in the opinion of the Board, Mr. Rajat Mohan Nag fulfils all the conditions as specified in the Act and Rules made thereunder and SEBI Listing Regulations to continue the office as an Independent Director of the Company.

On the recommendation of Nomination & Remuneration Committee and based on the skills, experience, knowledge and report of performance evaluation of Mr. Nag, the Board of the Directors on Tuesday, December 05, 2023 have approved the continuation of directorship of Mr. Rajat Mohan Nag (DIN: 07083831) as an Independent Director of the Company for the remaining period of his current tenure, i.e. till January 30, 2025.

The Board of Directors recommends passing of the resolution as set out in this Notice as Special Resolution.

Except Mr. Rajat Mohan Nag, Non-Executive Independent Director, 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.

**By Order of the Board of Directors  
For Arohan Financial Services Limited**

**Date: December 05, 2023  
Place: Kolkata**

**Anirudh Singh G Thakur  
Company Secretary & Chief Compliance Office**