

Date: May 12, 2023

To

**Listing Department,
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 955550

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on May 12, 2023 for the Quarter and Financial Year ended March 31, 2023

Pursuant to Regulations 51 and 52 read with Part B of Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), as amended, the Board of Directors at its meeting held today, i.e. May 12, 2023, inter alia, considered and approved the Audited Financial Results of the Company for the Financial Year ended March 31, 2023. In this regard, please find enclosed herewith the following documents:

1. A copy of the Financial Results along with the Audit Report issued by the Statutory Auditors, MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) and the disclosures as required under Regulation 52(4) of the SEBI Listing Regulations, 2015.
2. Disclosure of Related Party Transactions in pursuance to Regulation 23(9) of SEBI Listing Regulations, 2015.
3. Statement pursuant to Regulations 52(7) and 7(A) of the SEBI Listing Regulations, 2015.
4. Disclosure of Security Cover in pursuance to Regulation 54(3) of the SEBI Listing Regulations.

Further, M/s. S. Basu & Associates, Company Secretaries, has been reappointed as the Secretarial Auditors of the Company for the financial year 2023-24.

Further, there are following changes in the Board of the Company:

- a. Mr. Aditya Mohan (DIN: 08299455), has been appointed an an Additional Director of the Company with immediate effect.
- b. Mr. Vemuru Chandramouli (DIN: 07019218) has replaced Shri Ram Meena as Nominee Director of the Company as a representative of Small Industries Development Bank of India and, has been appointed as a Nominee Director of the Company in place of Shri Ram Meena with immediate effect.
- c. Mr. Paul Gratien Robine (DIN: 07828525) has resigned from the directorship of the Company.

Further, there is a change in the management, where Mr. Prashant Rai, Head - HR, Admin, CSR & Training has resigned from the Company.

Further, the Board has approved issuance of 7,00,000 Equity Shares under the Arohan Employee Stock Option Plan 2021 (“ESOP 2021”) for ESOP Grant 2023 subject to the approval of the shareholders.

This intimation is also being uploaded on the Company’s website www.arohan.in.

The above meeting of the Board of Directors commenced at 15:15 hours (I.S.T) and concluded at 17:45 hours (I.S.T).

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

Anirudh Singh G Thakur
Company Secretary & Compliance Officer
Membership No: A13210



Encl: as above

CC: IDBI Trusteeship Services Limited
GR FLR, Universal Insurance Bldg, Sir Phirozshah
Mehta Rd., Fort Mumbai – 400001

CC: Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No. 604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai – 400098

Independent Auditor’s Report on Audited Annual Financial Results of the Company pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

**To the Board of Directors
Arohan Financial Services Limited**

Report on the Audit of Financial Results

Opinion

We have audited the accompanying statement of annual financial results of Arohan Financial Services Limited (hereinafter referred to as ‘the Company’) for the year ended March 31, 2023, together with notes thereon (‘the Statement’), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

MSKA & Associates

Chartered Accountants

Management and Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

MSKA & Associates

Chartered Accountants

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Tushar

Ramniklal

Kurani

Tushar Kurani

Partner

Membership No.: 118580

UDIN: 23118580BGXRQC9802

Digitally signed by
Tushar Ramniklal
Kurani
Date: 2023.05.12
16:06:49 +05'30'

Mumbai

May 12, 2023

Arohan Financial Services Limited
Statement of audited financial results for the quarter and year ended 31 March 2023

Particulars	(₹ in lakhs)				
	Quarter ended			Year ended	
	31 March 2023 (Refer note 10) (Audited)	31 December 2022 (unaudited)	31 March 2022 (Refer note 10) (Audited)	31 March 2023 (Audited)	31 March 2022 (Audited)
1 Revenue					
(a) Interest income	25,808.91	20,646.97	20,918.97	93,096.90	85,872.70
(b) Dividend income	-	-	-	-	3.50
(c) Fees and commission income	3,862.67	2,646.83	1,081.22	10,209.69	4,172.35
(d) Net gain on derecognition of financial instruments	1,781.06	394.91	-	3,586.49	-
(e) Others	3.20	14.10	24.81	52.30	124.02
Total revenue from operations	31,455.84	23,702.81	22,025.00	1,06,945.38	90,172.57
(f) Other income	855.66	492.71	184.37	2,154.14	1,870.03
Total revenue	32,311.50	24,195.52	22,209.37	1,09,099.52	92,042.60
2 Expenses					
(a) Finance costs	11,866.30	11,877.69	8,975.22	46,864.42	40,176.34
(b) Impairment on financial instruments	8,200.17	2,419.41	2,966.98	19,264.99	13,566.80
(c) Employee benefits expenses	6,956.82	6,420.71	5,179.27	24,614.80	21,039.10
(d) Depreciation and amortization	120.50	118.37	135.15	476.24	586.07
(e) Other expenses	2,389.20	2,280.09	2,963.71	8,883.71	8,380.19
Total expenses	29,532.99	23,116.27	20,220.33	1,00,104.16	83,748.50
3 Profit/ (loss) before tax (1-2)	2,778.51	1,079.25	1,989.04	8,995.36	8,294.10
4 Tax expense					
(a) Current tax	(68.34)	(185.71)	8.93	1.96	8.93
(b) Deferred tax charge	645.25	517.65	533.19	2,014.95	2,178.62
(c) Tax expense for earlier years	39.21	(132.39)	11.52	(93.18)	11.52
5 Net Profit/ (loss) after tax (3-4)	2,162.39	879.70	1,435.40	7,071.63	6,095.03
6 Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss					
(i) Remeasurement of post employment benefit obligations	(93.81)	(98.70)	214.27	(350.99)	(223.42)
(ii) Remeasurement of equity instruments through other comprehensive income	-	-	1.68	-	5.00
(iii) Income tax relating to items that will not be reclassified to profit or loss	23.61	24.84	(53.92)	88.34	55.40
(b) Items that will be reclassified to profit or loss					
(i) Fair valuation of financial assets	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total Other Comprehensive Income (a+b)	(70.20)	(73.86)	162.03	(262.65)	(163.02)
Total Comprehensive Income for the period/ year (5+6)	2,092.19	805.84	1,597.43	6,808.98	5,932.01
7 Paid-up equity share capital (Face value of ₹ 10 each)	15,038.85	12,117.73	12,017.73	15,038.85	12,017.73
8 Earning per equity share (not annualised)					
(a) Basic (In ₹)	1.85	0.75	1.23	6.05	5.22
(b) Diluted (In ₹)	1.78	0.74	1.22	5.84	5.20

Arohan Financial Services Limited
Statement of audited financial results for the quarter and year ended 31 March 2023
Balance Sheet

(₹ in lakhs)

Particulars		As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
A Assets			
1 Financial assets			
(a)	Cash and cash equivalents	55,656.06	95,362.92
(b)	Other bank balances	37,800.09	35,372.38
(c)	Trade receivables	1,537.64	200.59
(d)	Loans	4,78,221.95	3,71,019.93
(e)	Investments	7,877.00	5.00
(f)	Other financial assets	2,757.32	547.14
Total financial assets		5,83,850.06	5,02,507.96
2 Non-financial assets			
(a)	Current tax assets (net)	4,268.74	4,820.31
(b)	Deferred tax assets (net)	11,846.91	13,773.52
(c)	Property, plant and equipment	530.80	400.71
(d)	Intangible assets under development	44.06	45.04
(e)	Other intangible assets	215.05	269.47
(f)	Right of use asset	490.05	393.43
(g)	Other non-financial assets	571.12	749.01
Total non-financial assets		17,966.73	20,451.49
TOTAL ASSETS		6,01,816.79	5,22,959.45
B LIABILITIES AND EQUITY			
Liabilities			
1 Financial liabilities			
(a)	Payables		
(i)	Trade payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(ii)	Other payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b)	Debt securities	30,084.77	28,338.42
(c)	Borrowings (other than debt securities)	3,80,936.33	3,41,078.35
(d)	Subordinated liabilities	42,327.83	43,309.37
(e)	Others financial liabilities	9,946.14	3,713.27
Total financial liabilities		4,63,295.07	4,16,439.41
2 Non-financial liabilities			
(a)	Provisions	2,468.29	2,099.70
(b)	Other non-financial liabilities	2,250.92	2,072.25
Total non-financial liabilities		4,719.21	4,171.95
3 Equity			
(a)	Equity share capital	15,038.85	12,017.73
(b)	Other equity	1,18,763.66	90,330.36
Total equity		1,33,802.51	1,02,348.09
TOTAL LIABILITIES AND EQUITY		6,01,816.79	5,22,959.45

Arohan Financial Services Limited
Statement of audited financial results for the quarter and year ended 31 March 2023
Cash Flow Statement

(₹ in lakhs)

Particulars	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
(A) Cash flows from operating activities		
Profit before tax	8,995.36	8,294.10
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	476.24	586.07
Interest on lease liability (net)	45.78	53.09
Impairment on financial instruments	19,117.55	13,566.80
Impairment on trade receivables	147.44	-
Net gain on derecognition of financial instruments	(3,586.49)	-
Interest income on unwinding of assigned portfolio	(294.45)	(352.92)
Adjustment of loan to ESOP trust	-	(24.31)
Expense on employee stock option scheme	282.76	454.69
Effective interest rate adjustment for financial instruments	1,475.82	(2,310.11)
Unwinding impact on security deposit	0.21	0.34
Operating profit before working capital changes	26,660.22	20,267.75
Working capital adjustments		
<u>(Increase)/ decrease in assets</u>		
Loans	(1,26,319.57)	8,003.80
Trade receivables	(1,484.49)	(86.92)
Other financial assets	1,675.25	862.65
Other non-financial assets	173.19	614.67
<u>Increase/ (decrease) in liabilities</u>		
Others financial liabilities	6,138.36	(2,911.19)
Provisions	17.60	87.77
Other non-financial liabilities	178.67	(173.13)
Cash (used in)/ generated from operating activities	(92,960.77)	26,665.40
Income taxes paid (net of refunds)	642.79	(4,204.80)
Net cash (used in)/ generated from operating activities (A)	(92,317.98)	22,460.60
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(301.69)	(97.76)
Investment in fixed deposits	(2,427.71)	(16,122.96)
Purchase of investments	(7,872.00)	-
Purchase of intangible assets	(34.41)	(5.96)
Purchase of intangible assets under development	(46.30)	(70.72)
Proceeds from sale of property, plant and equipment	0.44	2.63
Net cash used in investing activities (B)	(10,681.67)	(16,294.77)
(C) Cash flows from financing activities		
Proceeds from issue of equity shares (including premium)	5.65	122.17
Proceeds from Issue of compulsorily convertible preference shares (including premium)	24,829.50	-
Share issue expenses	(472.47)	-
Proceeds from debt securities	11,462.43	-
Repayment of debt securities	(9,940.00)	(69,977.67)
Proceeds from borrowings (other than debt securities)	6,44,169.00	4,67,025.59
Repayment of borrowings (other than debt securities)	(6,05,544.46)	(4,45,766.13)
Proceeds from subordinated liabilities	-	22,234.60
Repayment of subordinated liabilities	(1,000.00)	-
Payment of lease liabilities	(216.86)	(243.22)
Net cash generated/ (used in) financing activities (C)	63,292.79	(26,604.66)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(39,706.86)	(20,438.83)
Cash and cash equivalents as at the beginning of the year	95,362.92	1,15,801.75
Cash and cash equivalents as at the end of the year	55,656.06	95,362.92
Components of cash and cash equivalents:		
Cash on hand	36.05	55.57
Balances and deposits with banks	55,620.01	95,307.35
Cash and cash equivalents considered for cash flow	55,656.06	95,362.92

Arohan Financial Services Limited

Notes:-

- The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Arohan Financial Services Limited ("the Company") at their meetings held on May 11, 2023 and May 12, 2023 respectively.
- The audited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- The above financial results for the year ended March 31, 2023 and year ended March 31, 2022 have been audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified opinion.
- During the current quarter ended March 31, 2023 the Company has allotted 1,07,10,765 compulsorily convertible preference shares of ₹10 each to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) at a price of ₹85 (including securities premium of ₹75 per share) aggregating to ₹9,104.15 Lakhs. Subsequent to the reporting date the Company have further allotted 77,89,648 compulsorily convertible preference shares of ₹10 each to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) at a price of ₹85 (including securities premium of ₹75 per share) aggregating to ₹6,621.20 Lakhs.
- To relieve COVID-19 pandemic related stress, the Company had invoked and implemented resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021.

Disclosure as per format prescribed under notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 Resolution Framework 1.0

Type of borrower	(₹ in lakhs)				
	A	B	C	D	E
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2023
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others (**)	65,410.27	10,539.70	31,075.92	9,423.78	14,370.87
Total	65,410.27	10,539.70	31,075.92	9,423.78	14,370.87

(*) As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(**) represents microfinance loans to customer

Under Covid Resolution 1.0 and 2.0, 6,48,491 and 5,42,934 number of borrower accounts respectively were sanctioned for modification and implemented whose aggregate exposure as on March 31, 2023 is ₹1,565.69 lakhs and ₹24,240.83 lakhs respectively.

Under covid resolution 1.0, 336 number of MSME borrower accounts were sanction for modification and implemented whose aggregate exposure as on March 31, 2023 is Nil.

- Details of loan transferred/ acquired during the year ended March 31, 2023 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 on transfer of loan exposures dated September 24, 2021 are given below:

(i) Details of loan transfer through direct assignment transaction in respect of loans not in default for the year ended March 31, 2023:

Particulars	To Banks/ NBFC's
Number of loans	2,49,691
Aggregate amount of loans transferred (₹ in lakhs)	54,589.54
Sale Consideration (₹ in lakhs)	54,589.54
Weighted average residual maturity (in months) (*)	14.66
Weighted average holding period by the originator (in months)	7.11
Retention of beneficial economic interest by the originator	2.80% to 15.90%
Tangible security coverage	-
Rating-wise distribution of rated loans	-
Number of instances where it has agreed to replace loans transferred to transferee(s)	-
Number of instances where it has agreed to pay damages arising out of any representation or warranty	-

(*) residual maturity from the time of transfer

(ii) The Company has not acquired any stressed loans during the year ended March 31, 2023.

(iii) The Company has not acquired loans not in default during the year ended March 31, 2023.

(iv) (a) The company has transferred certain NPA & SMA loans during the year ended March 31, 2023, details of which are given below:

Particulars	To ARC's		To permitted transferees
	NPA	SMA	
(i) Total number of loan assets assigned	1,10,656	21,219	Nil
(ii) Aggregate principal outstanding of loans transferred (₹ in lakhs) (*)	22,594.96	5294.60	Nil
(iii) Weighted average residual tenor of loans transferred (in months)	20.43	23.93	Nil
(iv) Net book value of loan assets transferred (at the time of transfer) (₹ in lakhs)	6,838.75	3194.61	Nil
(v) Aggregate consideration (₹ in lakhs)	9,200.00		Nil
(vi) Addition consideration realised in respect of account transferred in earlier years	Nil		Nil

(*) NPA Includes written off loans of ₹1,325.50 lakhs

(iv) (b) Security Receipt's (SR's) held and recovery ratings assigned to such SR's by the credit rating agency.

Particulars	Category of recovery ratings	As at March 31, 2023 (₹ in lakhs)
Security Receipts under trust floated by ARC's	Yet to be rated within time lines as per Reserve Bank of India guidelines	7,872.00

Arohan Financial Services Limited

- 7 The Company is primarily engaged in the business of financing - a single business segment in terms of Ind AS 108 "Operating segments"; consistent with the internal reporting provided to the Chief Operating Decision Maker.
- 8 As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), all secured non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
- 9 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and becomes effective.
- 10 The figures for the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between audited figures in respect of the year ended March 31, 2023 and March 31, 2022 and the reviewed figures for the nine month ended December 31, 2022 and December 31, 2021 respectively.
- 11 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- 12 Previous quarter/ year ended figures have been regrouped / rearranged wherever necessary, to conform with the current quarter/ year.

By order of the Board
For **Arohan Financial Services Limited**

MANOJ KUMAR
NARAYAN NAMBIAR

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 12 May 2023

Registered Office: PTI Building, DP Block, DP-9, 4th Floor, Sector - V, Salt Lake, Kolkata - 700091.
CIN: U74140WB1991PLC053189; **Website:** www.arohan.in

Arohan Financial Services Limited

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter and year ended March 31, 2023.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.39
B	Debt service coverage ratio ⁽²⁾	Not Applicable
C	Interest service coverage ratio ⁽²⁾	Not Applicable
D	Debenture redemption reserve ⁽³⁾	Not Applicable
E	Capital redemption reserve ⁽³⁾	Not Applicable
F	Outstanding redeemable preference shares (quantity and value)	Nil
G	Net worth (₹ in lakhs) ⁽⁴⁾	1,21,692.36
H	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	2,162.39
	(ii) For the year ended	7,071.63
I	Earnings per share (in ₹)	
	(i) Basic :	
	For the quarter ended	1.85
	For the year ended	6.05
	(ii) Diluted :	
	For the quarter ended	1.78
	For the year ended	5.84
J	Current ratio ⁽⁷⁾	Not Applicable
K	Long term debt to working capital ⁽⁷⁾	Not Applicable
L	Bad debts to account receivable ratio ⁽⁷⁾	Not Applicable
M	Current liability ratio ⁽⁷⁾	Not Applicable
N	Total debts to total assets ⁽⁵⁾	75.33%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾	
	(i) For the quarter ended	6.69%
	(ii) For the year ended	6.48%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁸⁾	28.74%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	2.71%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.19%

Notes:-

- Debt - equity ratio = (debt securities + borrowings-other than debt securities + subordinated liabilities) / (Equity Share Capital + Other Equity).
- Debt service coverage ratio and interest service coverage ratio are not applicable to Banks or NBFC/ Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
- Capital redemption Reserve/ Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- Net worth is calculated as defined in section 2(57) of the Companies Act, 2013.
- Total debts to total assets = (debt securities + borrowings - other than debt securities + subordinated liabilities) / total assets
- Net profit margin = Net profit after tax / Total income
- The Company is a Non-Banking Financial Company registered under Reserve Bank of India Act, 1934, hence these ratios are generally not applicable.
- Capital to risk-weighted assets is calculated as per the RBI guidelines.
- Gross stage 3 ratio= Gross stage 3 loans exposure at default (EAD) / Gross total loans EAD
- Net Stage 3 ratio= (gross stage 3 loans EAD - impairment loss allowance for Stage 3) / (gross total loans EAD - impairment loss allowance for Stage 3)

By order of the Board
For **Arohan Financial Services Limited**

MANOJ KUMAR
NARAYAN NAMBIAR

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 12 May 2023

Registered Office: PTI Building, DP Block, DP-9, 4th Floor, Sector - V, Salt Lake, Kolkata - 700091.
CIN: U74140WB1991PLC053189; **Website:** www.arohan.in

DECLARATION OF AUDIT REPORT WITH UNMODIFIED OPINION

Declaration confirming issuance of Audit Report with Unmodified Opinion on the Financial Statements of Arohan Financial Services Limited for the year ended March 31, 2023 pursuant to Regulation 52 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare and confirm that the Statutory Auditors of the Company, MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) has issued Audit report with Unmodified Opinion on the Financial Statements of Arohan Financial Services Limited for the year ended March 31, 2023.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

Manoj Kumar Narayan Nambiar
Managing Director
DIN: 03172919



Disclosure of Related Party Transactions for the Half Year ended March 31, 2023

													Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.					
S. No	Details of the party (listed entity/subsidiary entering into the transaction)		Details of the counterparty			Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period (Amount in Lakhs)	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)

1	Arohan Financial Services Limited	AAE CA6 121 D	Manoj Kumar Narayan Nambiar	AAAP N7851 Q	Key Management Personnel of the listed entity or parent	Remuneration		87.62	0	0								
2	Arohan Financial Services Limited	AAE CA6 121 D	Milind R Nare	AALP N4055 H	Key Management Personnel of the listed entity or parent	Remuneration		50.06	0	0								
3	Arohan Financial Services Limited	AAE CA6 121 D	Ranjan Das	ADBP D0545 R	Key Management Personnel of the listed entity or parent	Remuneration		35.71	0	0								
4	Arohan Financial Services Limited	AAE CA6 121 D	Bharath Sondur	AKW PS885 3P	Key Management Personnel of the listed entity or parent	Remuneration		-0.68	0	0								

5	Arohan Financial Services Limited	AAE CA6 121 D	Anirudh Singh G. Thakur	ACIP T3974 C	Key Management Personnel of the listed entity or parent	Remuneration		35.98	0	0								
6	Arohan Financial Services Limited	AAE CA6 121 D	Dinesh Kumar Mittal	ABW PM41 65B	Director	Sitting Fees		3.00	0	0								
7	Arohan Financial Services Limited	AAE CA6 121 D	Matangi Gowrishankar	AAGP G8973 J	Director	Sitting Fees		4.20	0	0								
8	Arohan Financial Services Limited	AAE CA6 121 D	Rajat Mohan Nag	AJOP N2511 Q	Director	Sitting Fees		3.00	0	0								
9	Arohan Financial Services Limited	AAE CA6 121 D	Sumantra Banerjee	AACP B4480 B	Director	Sitting Fees		2.00	0	0								
10	Arohan Financial Services Limited	AAE CA6 121 D	Ashv Finance Limited	AAA CJ594 6P	Entities having common director	Reimbursement of Income		3.40	4.50	1.39								

11	Arohan Financial Services Limited	AAE CA6 121 D	Ashv Finance Limited	AAA CJ594 6P	Entities having common director	Business Support Fees		0.47	0.00	0.00								
12	Arohan Financial Services Limited	AAE CA6 121 D	Ashv Finance Limited	AAA CJ594 6P	Entities having common director	Remittance from Business Transfer Agreement		-3.53	4.86	-3.53								
13	Arohan Financial Services Limited	AAE CA6 121 D	Aavishkar Venture Management Services Private Limited	AAH CA26 94L	Entities having common director	Business Support fees		31.25	32.26	-17.74								
14	Arohan Financial Services Limited	AAE CA6 121 D	Shivalik Small Finance Bank Limited	ABD CS942 7Q	Entities having common director	Interest received		54.04	16.59	35.37								
15	Arohan Financial Services Limited	AAE CA6 121 D	Shivalik Small Finance Bank Limited	ABD CS942 7Q	Entities having common director	Loan		1000.00	0.00	-89.47								

16	Arohan Financial Services Limited	AAE CA6 121 D	Shivalik Small Finance Bank Limited	ABD CS942 7Q	Entities having common director	Loan Processing Charges		2.72	0.00	0.00								
17	Arohan Financial Services Limited	AAE CA6 121 D	Shivalik Small Finance Bank Limited	ABD CS942 7Q	Entities having common director	Fixed Deposits		283.14	0.00	0.00								
18	Arohan Financial Services Limited	AAE CA6 121 D	Shivalik Small Finance Bank Limited	ABD CS942 7Q	Entities having common director	Loan repaid		149.68	0.00	0.00								
19	Arohan Financial Services Limited	AAE CA6 121 D	Aavishkaar Foundation	AASC A9098 B	Entities having common director	CSR Donation		47.20	0.00	0.00								
20	Arohan Financial Services Limited	AAE CA6 121 D	Intellectual Advisory Services Private Limited	AAA CI948 1Q	Entities having common director	Business Support Fees		7.08	6.67	-0.76								

21	Arohan Financial Services Limited	AAE CA6 121 D	Dinesh Kumar Mittal	ABW PM41 65B	Director	Commission to Director		5.00	20.00	-25.00							
22	Arohan Financial Services Limited	AAE CA6 121 D	Matangi Gowrish ankar	AAGP G8973 J	Director	Commission to Director		2.50	10.00	-12.50							
23	Arohan Financial Services Limited	AAE CA6 121 D	Rajat Mohan Nag	AJOP N2511 Q	Director	Commission to Director		2.50	10.00	-12.50							
24	Arohan Financial Services Limited	AAE CA6 121 D	Sumantra Banerjee	AACP B4480 B	Director	Commission to Director		2.50	10.00	-12.50							
Total								1808.84									

For Arohan Financial Services Limited

Anirudh Singh G Thakur
 Company Secretary & Compliance Officer
 Membership No: A13210



A. Statement of utilization of issue proceeds:

Name of the Issuer	IS IN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Arohan Financial Services Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	There is no issue of NCD during the last quarter ended March, 2023.

B. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks
Name of listed entity	Arohan Financial Services Limited
Mode of fund raising	Private Placement
Type of instrument	Non- Convertible Debentures
Date of raising funds	N/A
Amount raised	N/A
Report filed for quarter ended	March 31, 2023
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	N/A
If yes, details of the approval so required?	N/A
Date of approval	N/A
Explanation for the deviation/ variation	N/A
Comments of the audit committee after review	N/A
Comments of the auditors, if any	N/A
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table: Not Applicable, since there is no deviation or	

variation.

Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilized	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed.

Name of signatory: Anirudh Singh G. Thakur

Designation: Company Secretary and Compliance Officer

Date: May 12, 2023



To,
The Board of Directors
Arohan Financial Service Limited
PTI Building, 4th Floor,
DP-9, Sector V, Salt Lake
Kolkata 700 091

Independent Auditor's Report on maintenance of security cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Arohan Financial Services Limited as at March 31, 2023.

1. This report is issued in accordance with the terms of our Mandate Letter dated May 08, 2023.
2. The accompanying Statement of compliance showing Security Cover as per the terms of offer document/ Information Memorandum and/ or Debenture Trust Deed and compliance with Financial Covenants for listed Secured Non-Convertible Debentures (NCDs) issued by the Arohan Financial Services Limited ("the Company") which were outstanding as at March 31, 2023 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to the **Catalyst Trusteeship Limited (the "Debenture Trustee")**, as per the terms of the Debenture Trust Deed and Information Memorandum, in accordance with terms of Securities and Exchange Board Of India (the "SEBI") Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and SEBI/ HO/ MIRSD/ MIRSD/ CRADT/ CIR/ P/ 2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

Management's Responsibility

3. The Management of the Company is responsible for the maintenance of the security cover and compliance with the covenants of debt securities, including the preparation of Statement and preparation and maintenance of all accounting and other records supporting such compliance. This responsibility includes the design, implementation, and maintenance of internal control relevant to such compliance with the SEBI Circular / Regulation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for preparation and maintenance of covenants list and compliance with such covenants on a continuous basis as per the Debenture Trust Deed and Information Memorandum to ensure compliance with the requirements of Debenture Trust Deed and Information Memorandum to provide all relevant information to the debenture trustee.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, SEBI Act, 1992, SEBI Circular/ Regulation and other relevant circulars and guidelines as applicable to the Company and for providing all relevant information to the Debenture Trustee.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Circular / Regulation, it is our responsibility to provide a limited assurance and form an conclusion as to whether, based on our examination of the audited books and records of the Company as at March 31, 2023, the Company is in compliance with maintenance of the security cover including the compliance with all the Financial covenants as mentioned in the Debenture Trust Deed and Information Memorandum.

MSKA & Associates

Chartered Accountants

7. We have planned and performed the following procedures:
 - a. Traced and agreed the principal amount of the listed NCDs outstanding from audited books and records of the Company as at March 31, 2023;
 - b. Verified the book value of assets charged against the listed NCDs issued by the Company as at March 31, 2023 as mentioned in Debenture Trust Deed and Information Memorandum and the audited books and records of the Company on test check basis;
 - c. Verified the charge creation forms filed with the Ministry of Corporate Affairs on test check basis;
 - d. Verified compliance of the financial covenants as at March 31, 2023 as mentioned in Debenture Trust Deed and Information Memorandum and the audited books and records of the Company on test check basis;
 - e. arithmetically re-computed the security cover ratio as computed in the Statement; and
 - f. Obtained written representations from the Management in this regard.
8. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. We conducted our examination of the Statement, on a test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Observation

11. As per the Debenture Trust Deed and Information Memorandum for secured debt securities ('DTD-secured') (ISIN INE808K07261), PAR 30 + Non Covid restructured loans + net write off of 12 months/ Gross Loan Portfolio of the Company, should not exceed 15%, however ratio of the Company as at March 31, 2023 is 15.55%.
12. As per the Debenture Trust Deed and Information Memorandum for secured debt securities ('DTD-secured') (ISIN INE808K07261), PAR 90 + Non Covid restructured loans-provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at March 31, 2023 is 13.79%.

MSKA & Associates

Chartered Accountants

13. As per the Debenture Trust Deed and Information Memorandum for unsecured debt securities ('DTD-unsecured') (ISIN INE808K08046), Gross NPA/ Gross Loan Portfolio of the Company, should not exceed 2%, however ratio of the Company as at March 31, 2023 is 2.71%.
14. As per the Debenture Trust Deed and Information Memorandum for secured debt securities ('DTD-secured') (ISIN INE808K07253), PAR 90 + Restructured Loans/Gross Loan Portfolio of the Company, should not exceed 5%, however ratio of the Company as at March 31, 2023 is 9.57%.

Conclusion

15. Based on our examination and procedures performed by us as mentioned in para 7 above and to the best of our knowledge and according to the information, explanations and representation given to us and subject to the observations mentioned in para 11, 12,13 and 14 above, in our opinion, nothing has come to our attention that causes us to believe that the book value of assets charged against the listed NCDs issued by the Company mentioned in the accompanying Statement are not in agreement with the audited books and records maintained by the Company as at March 31, 2023 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed and Information Memorandum.

Restriction on Use

16. This report is addressed to the Board of Directors of the Company, pursuant to our obligations under the Mandate Letter for onward submission of this report to the Debenture Trustee as per the SEBI Circular / Regulation and should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
17. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Tushar
Ramnijklal
Kurani

Digitally signed by
Tushar Ramniklal Kurani
Date: 2023.05.12
14:32:02 +05'30'

Tushar Kurani
Partner

Membership No. 118580
UDIN: 23118580BGXRQF5551

Mumbai
May 12, 2023

Arohan Financial Services Limited
Asset coverage ratio as on March 31, 2023

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Eliminati on (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	Related to only those items covered by this certificate					Total Value(=K+L +M+ N)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	Market Value for Assets charged on Exclusive basis			Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	530.80	-	530.80	-	-	-	-	-	
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	No	-	-	490.05	-	490.05	-	-	-	-	-	
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	No	-	-	215.05	-	215.05	-	-	-	-	-	
Intangible Assets under Development		-	-	No	-	-	44.06	-	44.06	-	-	-	-	-	
Investments		-	-	No	-	-	7,877.00	-	7,877.00	-	-	-	-	-	
Loans (*)	Book debt receivables	32,684.42	3,57,783.59	No	-	-	87,753.94	-	4,78,221.95	-	32,684.42	-	-	32,684.42	
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	No	-	-	1,537.64	-	1,537.64	-	-	-	-	-	
Cash and Cash Equivalents		-	-	No	-	-	55,656.06	-	55,656.06	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		199.40	32,347.05	No	-	-	5,253.64	-	37,800.09	-	199.40	-	-	199.40	
Others		-	-	No	-	-	19,444.09	-	19,444.09	-	-	-	-	-	
Total		32,883.82	3,90,130.64	-	-	-	1,78,802.33	-	6,01,816.79	-	32,883.82	-	-	32,883.82	
LIABILITIES															
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	30,084.77	-	No	-	-	-	-	30,084.77	-	30,084.77	-	-	30,084.77	
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-	-	-	-	-	-	
Other Debt		-	-	No	-	-	-	-	-	-	-	-	-	-	
Subordinated debt		-	-	No	-	-	42,327.83	-	42,327.83	-	-	-	-	-	
Borrowings from Bank & FI's (*)	Not to be filled	-	3,15,759.25	No	-	-	65,177.08	-	3,80,936.33	-	-	-	-	-	
Debt Securities		-	-	No	-	-	-	-	-	-	-	-	-	-	
Others		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade payables		-	-	No	-	-	-	-	-	-	-	-	-	-	
Lease Liabilities		-	-	No	-	-	545.33	-	545.33	-	-	-	-	-	
Provisions		-	-	No	-	-	2,468.29	-	2,468.29	-	-	-	-	-	
Others		-	-	No	-	-	11,651.73	-	11,651.73	-	-	-	-	-	
Total		30,084.77	3,15,759.25	-	-	-	1,22,170.26	-	4,68,014.28	-	30,084.77	-	-	30,084.77	
Cover on Book Value			1.09											1.09	
Cover on Market Value			NA												
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio										

(*) The Company extends loans (secured & unsecured) which has been classified as Amortised cost as per applicable Ind AS. Hence the Company has considered the book value for the purpose of this certificate.

For Arohan Financial Services Limited

DEBARSHI CHAUDHURI
Digitally signed by DEBARSHI CHAUDHURI
Date: 2023.05.12 13:17:49 +05'30'

Authorized Signatory
Place: Kolkata
Date: 12-May-2023

Arohan Financial Services Limited

Details of covenants criteria as per Debenture trust deeds (DTD), Information Memorandum (IM) and Term Sheet and the Company's compliance with such covenants as at 31st March, 2023

Sr.No.	Description of Non-Convertible Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	INE808K07261	Blue Orchard_NCD	115 Crores		
	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC	Capital to risk assets ratio (CRAR)	16.00%	28.74%	Complied
		(PAR 30+Non Covid restructured loan+ net write off of 12months)/Gross Loan Portfolio (refer note 8 below)	15.00%	15.55%	Not Complied
		(PAR 90 + Non Covid restructured loans provision)/Tier 1 (refer note 4 below)	10.00%	13.79%	Not Complied
		Return on Assets (ROA) (refer note 5 below)	> 0%	1.21%	Complied
		Net Foreign Currency / Equity (refer note 6 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	INE808K08079	Piramal_NCD	200 Crores		
	Arohan Financial Services Limited SR G 13.65 NCD	Capital to risk assets ratio (CRAR)	18.00%	28.74%	Complied
		Financial indebtbnss/Net Worth	<=5,5	3.39	Complied
		Gross NPA /Gross on book loan portfolio (refer note 7 below)	<5%	2.86%	Complied
		PAT	Positive	Positive	Complied
		Pre-provisioning operating profit (refer note 10 below)	>300 Cr	329.23 Cr	Complied
3	INE808K08046	Northern Arc_NCD	65 Crores		
	Arohan Financial Services Limited SR G 13.50 NCD 28AY25 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		Gross NPA/Gross Loan Portfolio (refer note 11 below)	2.00%	2.71%	Not Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 9 below)	20.00%	1.67%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
4	INE808K07253	CDC_NCD	60 Crores		
	Arohan Financial Services Limited 9.54 NCD 30MR25 FVRS10LAC	Capital to risk assets ratio (CRAR)	17.00%	28.74%	Complied
		(PAR 90 + Restructured Loans) /Gross Loan Portfolio (refer note 2 below)	5.00%	9.57%	Not Complied
		(PAR 90 less provision)/Tangible Networth (refer note 3 below)	20.00%	18.83%	Complied
		Structural Liquidity	Net cumulative mismatch under maturity bucket 1 to 365 days will be positive	Based on structural liquidity return, the position is positive	Complied

Notes:

- Portfolio at risk (PAR 90) - For calculating this ratio, Assets under management (AUM) overdue for more than 90 Days has been considered as numerator & closing outstanding AUM as at March 31, 2023 as denominator.
- (PAR 90 + Restructured Loans)/Gross Loan Portfolio - For calculating this ratio, AUM overdue for more than 90 days plus restructured Assets been considered as numerator and closing Gross Loan Portfolio as on March 31, 2023 as denominator.
- (PAR 90 less provision)/Tangible Network - For calculating this ratio, AUM overdue for more than 90 Days less gross loan provision on owned Portfolio has been considered as numerator and Total net worth less intangible assets (including ROU) and deferred tax assets as on March 31, 2023 as denominator.
- (PAR 90 + Non Covid restructured loans - Provision)/Tier 1 Capital - For calculating this ratio, AUM overdue for more than 90 days plus Non Covid restructured loans less NPA provision on owned Portfolio has been considered as numerator and Tier 1 capital as denominator.
- Return on Asset - For calculating this ratio, net income i.e. other comprehensive Income (OCI) has been considered as numerator and average total assets as denominator.
- Net Foreign Currency/Equity - There are no such exposure as per the audited financial information as at March 31, 2023
- Gross NPA/Gross on book loan portfolio - For calculating this ratio, Gross NPA has been considered as numerator and closing Gross on book loan portfolio as on March 31, 2023 as denominator.
- (PAR 30 + Non Covid restructured loans + net write off for last 12 months)/Gross Loan Portfolio- For calculating this ratio, portfolio overdue for more than 30 Days, Non Covid restructured loans (including restructuring under RBI resolution framework dated 06 August 2020 & 05 May 2021) and net write off for last 12 months has been considered as numerator and closing Gross Loan Portfolio as on March 31, 2023 as denominator.
- Net NPA (PAR 90 less Provision)/Network - For calculating this ratio, Net NPA has been considered as numerator and net worth as on March 31, 2023 as denominator.
- Pre-provisioning operating profit- For calculating this amount, Profit before tax is adjusted for Impairment on assets and accrued Interest on the NPA loan portfolio.
- Gross NPA/Gross loan portfolio - For calculating this ratio, Gross NPA has been considered as numerator and closing Gross loan portfolio as on March 31, 2023 as denominator.
- Gross Loan Portfolio = Assets Under Management

For Arohan Financials Services Limited

DEBARSHI CHAUDHURI
Digitally signed by DEBARSHI CHAUDHURI
Date: 2023.05.12 13:18:30 +05'30'

Authorized Signatory
Kolkata
Date: 12-May-2023

To,
The Board of Directors
Arohan Financial Service Limited
PTI Building, 4th Floor,
DP-9, Sector V, Salt Lake
Kolkata 700 091

Independent Auditor's Report on maintenance of security cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Arohan Financial Services Limited as at March 31, 2023.

1. This report is issued in accordance with the terms of our Mandate Letter dated May 08, 2023.
2. The accompanying Statement of compliance showing Security Cover as per the terms of offer document/ Information Memorandum and/ or Debenture Trust Deed and compliance with Financial Covenants' for listed Secured Non-Convertible Debentures (NCDs) issued by the Arohan Financial Services Limited ("the Company") which were outstanding as at March 31, 2023 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to the **IDBI Trusteeship Services Limited (the "Debenture Trustee")**, as per the terms of the Debenture Trust Deed and Information Memorandum, in accordance with terms of Securities and Exchange Board Of India (the "SEBI") Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and SEBI/ HO/ MIRSD/ MIRSD/ CRADT/ CIR/ P/ 2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

Management's Responsibility

3. The Management of the Company is responsible for the maintenance of the security cover and compliance with the covenants of debt securities, including the preparation of Statement and preparation and maintenance of all accounting and other records supporting such compliance. This responsibility includes the design, implementation, and maintenance of internal control relevant to such compliance with the SEBI Circular / Regulation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for preparation and maintenance of covenants list and compliance with such covenants on a continuous basis as per the Debenture Trust Deed and Information Memorandum to ensure compliance with the requirements of Debenture Trust Deed and Information Memorandum to provide all relevant information to the debenture trustee.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, SEBI Act, 1992, SEBI Circular / Regulation and other relevant circulars and guidelines as applicable to the Company and for providing all relevant information to the Debenture Trustee.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Circular / Regulation, it is our responsibility to provide a limited assurance and form an conclusion as to whether, based on our examination of the audited books and records of the Company as at March 31, 2023, the Company is in compliance with maintenance of the security cover including the compliance with all the Financial covenants as mentioned in Debenture Trust Deed and Information Memorandum.

7. We have planned and performed the following procedures:
 - a. Traced and agreed the principal amount of the listed NCDs outstanding from audited books and records of the Company as at March 31, 2023;
 - b. Verified the book value of assets charged against the listed NCDs issued by the Company as at March 31, 2023 as mentioned in Debenture Trust Deed and Information Memorandum and the audited books and records of the Company on test check basis;
 - c. Verified the charge creation forms filed with the Ministry of Corporate Affairs on test check basis;
 - d. Verified compliance of the financial covenants as at March 31, 2023 as mentioned in Debenture Trust Deed and Information Memorandum and the audited books and records of the Company on test check basis;
 - e. arithmetically re-computed the security cover ratio as computed in the Statement; and
 - f. Obtained written representations from the Management in this regard.
8. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. We conducted our examination of the Statement, on a test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Observation

11. As per the Debenture Trust Deed and Information Memorandum for secured debt securities ('DTD-secured') (ISIN INE808K07246), PAR 30 + restructured loan + net write off of 12months/Gross Loan Portfolio of the Company, should not exceed 10%, however ratio of the Company as at March 31, 2023 is 16.09%.
12. As per the Debenture Trust Deed and Information Memorandum for secured debt securities ('DTD-secured') (ISIN INE808K07246), PAR 90 + restructured loans - provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at March 31, 2023 is 21.69%.
13. As per the Debenture Trust Deed and Information Memorandum for unsecured debt securities ('DTD-unsecured') (ISIN INE808K07147), Operational self-sufficiency ratio of the Company, should not be less than 1.10 times, however ratio of the Company as at March 31, 2023 is 1.09 times.

MSKA & Associates

Chartered Accountants

14. As per the Debenture Trust Deed and Information Memorandum for unsecured debt securities ('DTD-unsecured') (ISIN INE808K08053), Gross NPA/Gross loan portfolio of the Company, should not exceed 2%, however ratio of the Company as at March 31, 2023 is 2.71%.

Conclusion

15. Based on our examination and procedures performed by us as mentioned in para 7 above and to the best of our knowledge and according to the information, explanations and representation given to us and subject to the observations mentioned in para 11, 12,13 and 14 above, in our opinion, nothing has come to our attention that causes us to believe that the book value of assets charged against the listed NCDs issued by the Company mentioned in the accompanying Statement are not in agreement with the audited books and records maintained by the Company as at March 31, 2023 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed and Information Memorandum.

Restriction on Use

16. This report is addressed to the Board of Directors of the Company, pursuant to our obligations under the Mandate Letter for onward submission of this report to the Debenture Trustee as per the SEBI Regulation and SEBI Circular and should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
17. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

Tushar
Ramniklal Kurani

Digitally signed by
Tushar Ramniklal Kurani
Date: 2023.05.12
14:30:04 +05'30'

Tushar Kurani
Partner

Membership No. 118580
UDIN: 23118580BGXRQE3884

Mumbai
May 12, 2023

Arohan Financial Services Limited
Asset coverage ratio as on March 31, 2023

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Eliminati on (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	Related to only those items covered by this certificate					Total Value(=K+L +M+ N)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	Market Value for Assets charged on Exclusive basis			Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	530.80	-	530.80	-	-	-	-	-	
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	No	-	-	490.05	-	490.05	-	-	-	-	-	
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	No	-	-	215.05	-	215.05	-	-	-	-	-	
Intangible Assets under Development		-	-	No	-	-	44.06	-	44.06	-	-	-	-	-	
Investments		-	-	No	-	-	7,877.00	-	7,877.00	-	-	-	-	-	
Loans (*)	Book debt receivables	32,684.42	3,57,783.59	No	-	-	87,753.94	-	4,78,221.95	-	32,684.42	-	-	32,684.42	
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	No	-	-	1,537.64	-	1,537.64	-	-	-	-	-	
Cash and Cash Equivalents		-	-	No	-	-	55,656.06	-	55,656.06	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		199.40	32,347.05	No	-	-	5,253.64	-	37,800.09	-	199.40	-	-	199.40	
Others		-	-	No	-	-	19,444.09	-	19,444.09	-	-	-	-	-	
Total		32,883.82	3,90,130.64	-	-	-	1,78,802.33	-	6,01,816.79	-	32,883.82	-	-	32,883.82	
LIABILITIES															
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	30,084.77	-	No	-	-	-	-	30,084.77	-	30,084.77	-	-	30,084.77	
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-	-	-	-	-	-	
Other Debt		-	-	No	-	-	-	-	-	-	-	-	-	-	
Subordinated debt		-	-	No	-	-	42,327.83	-	42,327.83	-	-	-	-	-	
Borrowings from Bank & FI's (*)	Not to be filled	-	3,15,759.25	No	-	-	65,177.08	-	3,80,936.33	-	-	-	-	-	
Debt Securities		-	-	No	-	-	-	-	-	-	-	-	-	-	
Others		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade payables		-	-	No	-	-	-	-	-	-	-	-	-	-	
Lease Liabilities		-	-	No	-	-	545.33	-	545.33	-	-	-	-	-	
Provisions		-	-	No	-	-	2,468.29	-	2,468.29	-	-	-	-	-	
Others		-	-	No	-	-	11,651.73	-	11,651.73	-	-	-	-	-	
Total		30,084.77	3,15,759.25	-	-	-	1,22,170.26	-	4,68,014.28	-	30,084.77	-	-	30,084.77	
Cover on Book Value		1.09												1.09	
Cover on Market Value		NA													
		Exclusive Security cover Ratio					Pari-Passu Security Cover Ratio								

(*) The Company extends loans (secured & unsecured) which has been classified as Amortised cost as per applicable Ind AS. Hence the Company has considered the book value for the purpose of this certificate.

For Arohan Financial Services Limited

DEBARSHI
CHAUDHURI

Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.05.12 13:19:04
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Authorized Signatory
Place: Kolkata
Date: 12-May-2023

Arohan Financial Services Limited

Details of covenants criteria as per Debenture trust deeds (DTD), Information Memorandum (IM) and Term Sheet and the Company's compliance with such covenants as at 31st March, 2023

Sr.No.	Description of Non-Coverable Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	INE808K07246	Blue Orchard_NCD	65 Crores		
	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		(PAR 30+restructured loan+ net write off of 12months)/Gross Loan Portfolio (refer note 3 below)	10.00%	16.09%	Not Complied
		(PAR 90+restructured loans-provision)/Tier 1 (refer note 4 below)	10.00%	21.69%	Not Complied
		Return on Assets (ROA) (refer note 7 below)	> 0%	1.21%	Complied
		Net Foreign Currency / Equity (refer note 9 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	INE808K07162	BOB_NCD	25 Crores		
	Arohan Financial Services Limited SR D 11 NCD 29JL23 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		Net NPA (PAR 90 less Provision)/Assets Under Management (refer note 2 below)	6.00%	0.42%	Complied
3	INE808K07139	Bank of India_NCD	25 Crores		
	Arohan Financial Services Limited Series A 11 NCD 16JU23 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		Net NPA (PAR 90 less Provision)/Assets Under Management (refer note 2 below)	6.00%	0.42%	Complied
4	INE808K07147	Indian Bank_NCD	25 Crores		
	Arohan Financial Services Limited SR B 11.50 NCD 10JL23 FVRS10LAC	Capital to risk assets ratio (CRAR)	20.00%	28.74%	Complied
		Portfolio at risk (PAR 90)/Gross Loan Portfolio (refer note 1 below)	6.00%	2.93%	Complied
		Operational Self Sufficiency Ratio (refer note 5 below)	1.10 times	1.09 times	Not Complied
		Total outside liability/Tangible Networth (refer note 6 below)	10 times	3.86 times	Complied
		Operating Cost Ratio (refer note 8 below)	15.00%	7.17%	Complied
		Cumulative ALM mismatch	As per the limits of RBI/Company's ALM Policy	The cumulative ALM is positive	Complied
5	INE808K08053	Northern Arc_NCD	35 Crores		
	Arohan Financial Services Limited SR G 13.50 NCD 30SY25 FVRS10	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		Gross NPA/Gross Loan Portfolio (refer note 10 below)	2.00%	2.71%	Not Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 11 below)	20.00%	1.67%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
6	INE808K08061	Karvy_NCD	25 Crores		
	Arohan Financial Services Limited SR G 12.85 NCD 25OY26 FVRS10	Capital to risk assets ratio (CRAR)	15.00%	28.74%	Complied
		Gross NPA/Assets Under Management (refer note 12 below)	3.00%	2.71%	Complied

Notes:

- Portfolio at risk (PAR 90)/Gross Loan Portfolio- For calculating this ratio, PAR overdue for more than 90 Days has been considered as numerator and closing Gross Loan Portfolio as on March 31, 2023 as denominator.
- Net NPA(PAR 90 less Provision)/Assets Under Management - For calculating this ratio, Net NPA has been considered as numerator and closing Assets Under Management as on March 31, 2023 as denominator.
- (PAR 30 + restructured loans + net write off for last 12 months)/Gross Loan Portfolio- For calculating this ratio, portfolio overdue for more than 30 Days, restructured loans (including restructuring under RBI resolution framework dated 06 August 2020 & 05 May 2021) and net write off for last 12 months has been considered as numerator and closing Gross Loan Portfolio as on March 31, 2023 as denominator.
- (PAR 90 + restructured loans - Provision)/Tier 1 Capital - For calculating this ratio, AUM overdue for more than 90 days, restructured loans (including restructuring under RBI resolution framework dated 06 August 2020 & 05 May 2021) less NPA provision on owned Portfolio has been considered as numerator and Tier 1 capital as denominator.
- Operational Self Sufficiency Ratio - For calculating this ratio, the total revenue has been considered as numerator and total expenses for the year ended March 31, 2023 as denominator.
- Total outside liability/Tangible Networth- For calculating this ratio, total liability less total equity has been considered as numerator and total net worth less intangible assets (including ROU) as on March 31, 2023 as denominator.
- Return on Asset - For calculating this ratio, net income i.e. other comprehensive Income (OCI) has been considered as numerator and average total assets as denominator.

- 8 Operating Cost Ratio - For calculating this ratio, the administration cost, depreciation and employee cost in the numerator and average AUM (March 31, 2023 and March 31, 2022) in the denominator.
- 9 Net Foreign Currency/Equity - There are no such exposure as per the audited financial information as at March 31, 2023
- 10 Gross NPA/Gross Loan Portfolio - For calculating this ratio, Gross NPA has been considered as numerator and closing Gross Loan Portfolio as on March 31, 2023 as denominator.
- 11 Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on March 31, 2023 as denominator.
- 12 Gross NPA/Assets Under Management - For calculating this ratio, Gross NPA has been considered as numerator and closing Assets Under Management as on March 31, 2023 as
- 13 Gross Loan Portfolio = Assets Under Management

For Arohan Financials Services Limited

DEBARSHI
CHAUDHURI

Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.05.12
13:19:23 +05'30'

Authorized Signatory

Kolkata

Date:12-May-2023