

Date: August 05, 2024

To
Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on August 05, 2024 for the Quarter ended June 30, 2024

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. August 05, 2024, *inter alia*, considered and approved the Unaudited Financial Results along with the Limited Review Report of the Company for the Quarter ended June 30, 2024. In this regard, please find enclosed herewith the following documents:

1. A copy of the Unaudited Financial Results along with the Limited Review Report issued by the Statutory Auditors of the Company, M/s. 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 Security Cover in pursuance to Regulation 54 of the SEBI Listing Regulations, 2015.
3. Statement pursuant to Regulation 52(7) & 52(7A) of the SEBI Listing Regulations, 2015.

Further, pursuant to the approval of the Nomination and Remuneration Committee of the Company and subsequent recommendation to the Board of Directors, the Board of Directors approved the appointment of Mr. Vineet Chandra Rai (DIN: 00606290) as the Vice-Chairman of the Company with immediate effect.

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

The above meeting of the Board of Directors commenced at 15:30 hours (I.S.T) and concluded at 17:30 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 & Chief 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
Unit No- 901, 9th Floor, Tower B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013

Independent Auditor's Review Report on unaudited financial results of Arohan Financial Services Limited for the quarter ended June 30, 2024 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 of Arohan Financial Services Limited

1. We have reviewed the accompanying statement of unaudited financial results of Arohan Financial Services Limited (hereinafter referred to as 'the Company') for the quarter ended June 30, 2024 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34'), and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

**Tushar
Ramniklal
Kurani**

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Kurani
Date: 2024.08.05
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Tushar Kurani
Partner
Membership Number.:118580
UDIN: 24118580BKFBX8128

Mumbai
August 05, 2024

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter ended 30 June 2024

(₹ in lakhs)

Particulars	Quarter ended			
	30 June 2024 (Unaudited)	31 March 2024 (Refer note 4)	30 June 2023 (Unaudited)	31 March 2024 (Audited)
1 Revenue				
(a) Interest income	41,221.82	38,049.45	29,707.77	1,38,016.48
(b) Fees and commission income	4,322.54	4,643.81	3,939.20	16,885.91
(c) Net gain on derecognition of financial instruments	1,167.71	781.89	873.20	4,132.58
(d) Others	197.71	81.04	0.33	82.16
Total revenue from operations	46,909.78	43,556.19	34,520.50	1,59,117.13
(e) Other income	1,035.63	1,381.02	855.54	4,346.19
Total revenue	47,945.41	44,937.21	35,376.04	1,63,463.32
2 Expenses				
(a) Finance costs	17,619.32	15,946.13	13,356.86	59,223.26
(b) Impairment on financial instruments	4,043.69	3,930.02	8,952.70	17,875.97
(c) Employee benefits expenses	8,925.97	8,785.34	7,173.00	32,471.95
(d) Depreciation and amortization	165.18	154.68	129.85	568.34
(e) Other expenses	3,336.60	4,427.94	2,515.45	12,080.50
Total expenses	34,090.76	33,244.11	32,127.86	1,22,220.02
3 Profit before tax (1-2)	13,854.65	11,693.10	3,248.18	41,243.30
4 Tax expense				
(a) Current tax expense	4,189.99	1,154.36	117.99	3,412.65
(b) Deferred tax expense/ (credit)	(743.67)	237.40	509.50	6,381.98
(c) Tax expense/ (credit) for earlier period/ year	0.37	(14.43)	80.81	66.50
5 Net Profit after tax (3-4)	10,407.96	10,315.77	2,539.88	31,382.17
6 Other comprehensive income				
(a) Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	(138.21)	(176.83)	(105.00)	(494.64)
(ii) Income tax relating to items that will not be reclassified to profit or loss	34.78	44.50	26.43	124.49
(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	-	-	-	-
Other comprehensive income (a+b)	(103.43)	(132.33)	(78.57)	(370.15)
Total comprehensive income for the period/ year (5+6)	10,304.53	10,183.44	2,461.31	31,012.02
7 Paid-up equity share capital (Face value of ₹ 10 each)	15,741.23	15,741.23	18,170.76	15,741.23
8 Earning per equity share (not annualised)				
(a) Basic (In ₹)	6.83	8.75	2.17	26.62
(b) Diluted (In ₹)	6.82	8.73	1.82	26.57

Arohan Financial Services Limited

Notes:-

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Arohan Financial Services Limited ("the Company") at respective meetings held on August 05, 2024.
- 2 The unaudited 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 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 3 The above financial results for quarter ended June 30, 2024, June 30, 2023 and year ended March 31, 2024 have been reviewed/ audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified opinion/ conclusion.
- 4 The figures for the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of the year ended March 31, 2024 and reviewed figures for the nine month ended December 31, 2023.
- 5 Details of loan transferred/ acquired during the quarter ended June 30, 2024 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 quarter ended June 30, 2024:

Particulars	To Banks/ NBFC's
Number of loans	66,712
Aggregate amount of loans transferred (₹ in lakhs)	14,950.79
Safe Consideration (₹ in lakhs)	14,950.79
Weighted average residual maturity (in months) (*)	14.46
Weighted average holding period by the originator (in months)	8.82
Retention of beneficial economic interest by the originator	13.20% to 15.45%
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 quarter ended June 30, 2024.

(iii) The Company has not acquired loans not in default during the quarter ended June 30, 2024.

(iv) (a) The company has not transferred NPA & SMA loans during the quarter ended June 30, 2024.

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

Particulars	Category of recovery ratings	As at June 30, 2024 (₹ In lakhs)
Security Receipts under trust floated by ARC's (FY 23-16)	IND RR2 (75%-100%)	4,984.00
Security Receipts under trust floated by ARC's (FY 23-36)	IND RR3 (50%-75%)	4,528.36

- 6 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.
- 7 As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), Non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on identified receivables arising out of its business operations and cash collateral to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
- 8 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.
- 9 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- 10 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 Digitally signed by MANOJ KUMAR
NARAYAN NAMBIAR
NARAYAN NAMBIAR Date: 2024.08.05 16:19:42 +05'30'

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: August 05, 2024

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 ended June 30, 2024.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	2.97
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⁾	1,94,536.73
H	Net profit after tax (₹ in lakhs)	10,407.96
I	Earnings per share (in ₹)	
	(i) Basic	6.83
	(ii) Diluted	6.82
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⁾	73.10%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾	21.71%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁸⁾	30.30%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	1.94%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.00%

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

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Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: August 05, 2024

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

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 has been no issuance of NCD during the Quarter ended June, 2024.

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

Particulars	Remarks
Name of listed entity	Arohan Financial Services Limited
Mode of fund raising	N/A
Type of instrument	N/A
Date of raising funds	N/A
Amount raised	N/A
Report filed for quarter ended	June 30, 2024
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:

- a. Deviation in the objects or purposes for which the funds have been raised.
- b. 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: August 05, 2024



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

Independent Auditor's Report on compliance with financial covenants in respect of listed, unsecured and redeemable non-convertible debt securities issued by Arohan Financial Services Limited as at June 30, 2024.

1. This report is being issued with the terms of mandate letter to the Board of Directors of Arohan Financial Services Limited dated July 22, 2024.
2. The accompanying statement showing 'Compliance Status of Financials Covenants' (the "Statement") for listed, unsecured and redeemable Non-Convertible Debentures ("NCDs") issued by Arohan Financial Services Limited (the "Company") which were outstanding as at June 30, 2024, is prepared by the Management of the Company for the purpose of submission to IDBI Trusteeship Services Limited (the "Debenture Trustee"), as per the terms of the Information Memorandum and/ or Debenture Trust Deed as at June 30, 2024, in compliance with the clause B (7) of Securities And Exchange Board of India ("SEBI") Circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 issued by SEBI (hereinafter referred as the "SEBI Circular").

Management's Responsibility

3. The Management of the Company is responsible for compliance with the financial covenants of NCDs, including the preparation of Statement and preparation and maintenance of all accounting and other records and documents supporting such compliance. This responsibility includes the design, implementation, and maintenance of internal control relevant to such compliance with the SEBI 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 financial covenants list and compliance with such financial covenants on a continuous basis as per the Debenture Trust Deed and to ensure compliance with the requirements of Information Memorandum and/ or Debenture Trust Deed and provide all relevant information to the Debenture Holder and Debenture Trustee.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI Circular and other relevant circulars, guidelines and regulations as applicable to the Company and for providing all relevant information to the SEBI.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Circular, it is our responsibility to obtain limited assurance and report whether based on our examination of the unaudited books and records, maintained by the Company as at June 30, 2024, produced for our examination, the Company is in compliance with the financial covenants as mentioned in the Statement.

MSKA & Associates

Chartered Accountants

7. For the purpose of the report we have performed the following procedures:
 - a) Enquired with the Management of the Company with regard to compliance with the financial covenants as mentioned in the Statement;
 - b) Verified the compliance of financial covenants on test check basis as per the Information Memorandum and/ or Debenture Trust Deed, the term sheet of NCD's issued by the Company with the underlying books and records;
 - c) Examined and verified the arithmetical accuracy of the computation of ratios mentioned in the accompanying the Statement;
 - d) Performed necessary inquiries with the management; and
 - e) Obtained suitable representation from the Management.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been
9. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI (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.

Conclusion

11. Based on the procedures performed by us as mentioned in paragraph 7 above, to the best of our knowledge and according to the information, explanations and representation given to us, nothing has come to our attention that causes us to believe that the Company is not in compliance with the financial covenants as mentioned in the Statement as at June 30, 2024.

Restriction on Use

12. This Report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's debenture trustee pursuant to the requirements of the SEBI Circular. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. 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.

MSKA & Associates

Chartered Accountants

13. 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 report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

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Date: 2024.08.05
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Tushar Kurani

Partner

Membership Number: 118580

UDIN: 24118580BKFMVBV8441

Mumbai

August 05, 2024

Arohan Financial Services Limited
 Limited Review for the quarter ended June 2024

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 June 30, 2024

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	INE808K08053 (Listed and Unsecured)	Northern Arc_NCD	3,493.55		
	Arohan Financial Services Limited SR G 13.50 NCD 30SY25 FVRS10	Capital to risk assets ratio (CRAR)	>15%	30.30%	Complied
		Gross NPA/Gross Loan Portfolio (refer note 1 & 3 below).	<2%	1.86%	Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 2 below).	>20%	0.00%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive	Complied
2	INE808K08061 (Listed and Unsecured)	Karvy_NCD	2,475.44		
	Arohan Financial Services Limited SR G 12.85 NCD 25OY26 FVRS10	Capital to risk assets ratio (CRAR)	>15%	30.30%	Complied
		Gross NPA/Assets Under Management (refer note 3 below).	<=3%	1.86%	Complied

Notes:

- 1 Gross NPA/Gross Loan Portfolio - For calculating this ratio, Gross NPA has been considered as numerator and closing Gross Loan Portfolio as on June 30, 2024 as denominator.
- 2 Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on June 30, 2024 (As per Section 2(57) of the Companies Act, 2013) as denominator.
- 3 Gross Loan Portfolio = Assets Under Management

For Arohan Financials Services Limited
DEBARSHI CHAUDHURI
 Authorized Signatory
 Kolkata

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

Independent Auditor's Report on Statement of security cover in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 24,565.02 Lakhs of Arohan Financial Services Limited as at June 30, 2024 pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended)

1. This report is being issued with the terms of mandate letter to the Board of Directors of Arohan Financial Services Limited dated July 22, 2024
2. We, M S K A & Associates, Chartered Accountants, are the Statutory Auditors of the Arohan Financial Services Limited ("the Company") and have been requested by the Management of the Company to examine the accompanying Statement containing details of 'Security Cover as per the terms of offer document/ Information Memorandum and Debenture Trust Deed and compliance with Financial Covenants' in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 24,565.02 lakhs as at June 30, 2024 ("the Statement"). The Statement has been prepared by the Company on the basis of the unaudited books of account and other relevant records and documents maintained by the Company as at June 30, 2024, in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures stated above, in compliance with the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter together referred to as "the SEBI Regulations").
3. The Statement has been prepared for the purpose of onward submission to the Catalyst Trusteeship Limited (the "Debenture Trustee") to ensure compliance with the SEBI Regulations in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 24,565.02 lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement is the responsibility of management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Company's Debenture Trustee as prescribed in the respective Debenture Trust Deed entered into between the Company and its Debenture Trustee in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 24,565.02 lakhs.

MSKA & Associates

Chartered Accountants

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulation, it is our responsibility to obtain limited assurance and form a conclusion as to whether the book values of the assets of the Company contained in Columns A to K of the Statement have been accurately extracted and ascertained from the unaudited books of account of the Company and other relevant records and documents maintained by the Company, and whether the Company maintained the asset cover and complied with the financial covenants as per the Debenture Trust Deed. Our responsibility does not include the evaluation of adherence by the Company with all the applicable SEBI Regulations.
7. For the purposes of this report, we have relied on the unaudited books of account of the Company for the quarter ended June 30, 2024 and information and documents as made available to us by the Company.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Obtained and read the terms of offer document/ Information Memorandum and Debenture Trust Deed entered into between the Company and its Debenture trustee;
 - b) Traced and agreed the principal amount and the interest thereon of borrowings outstanding in respect of debt securities and assets available for debt securities as at June 30, 2024 to the unaudited books of account maintained by the Company as at June 30, 2024;
 - c) Obtained and read the list of security cover in respect of debenture outstanding as per the Statement and traced the value of assets from the Statement to the unaudited books of account of the Company and correlated to the books of account and other records of the Company as at June 30, 2024;
 - d) Understood the nature of charge (viz exclusive charge) on the asset of the Company by obtaining the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed/unlisted non-convertible debt security;
 - e) Examined and verified the arithmetical accuracy of the computation of security cover ratio (based on book values) mentioned in the accompanying the Statement;
 - f) Compared the Asset Cover with the Asset Cover required to be maintained as per Debenture Trust Deed and Information Memorandum;
 - g) Obtained the workings of assets and liabilities presented in the respective columns in the Statement and verified the same from the unaudited books of account and relevant records and documents underlying the unaudited financial results as at June 30, 2024;
 - h) Performed necessary inquiries with the management; and
 - i) Obtained written representations from the Management in this regard.

MSKA & Associates

Chartered Accountants

10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. 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.

Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information, explanations and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the book value of the assets of the Company contained in Columns A to k of the Statement are not in agreement with the unaudited books of account of the Company for the quarter ended June 30, 2024 and other relevant records and documents maintained by the Company and that the Company has not complied with financial covenants of the debentures.

Restriction on Use

13. The Report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's debenture trustee pursuant to the requirements of the SEBI Regulations. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. 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.
14. 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 report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

**Tushar
Ramniklal
Kurani**

Digitally signed by
Tushar Ramniklal
Kurani
Date: 2024.08.05
16:51:31 +05'30'

Tushar Kurani

Partner

Membership Number: 118580

UDIN: 24118580BKFBMW1488

Kolkata

August 05, 2024

Arohan Financial Services Limited

Asset coverage ratio as on June 30, 2024

(All amounts in ₹ lakhs unless otherwise stated)

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 (viii)	Column K	Column L	Column M	Column N	Column O	Column P	
Particulars	Exclusive Charge	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Debts not backed by Security	Elimination (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to I)	Related to only those Items covered by this certificate					Total Value(=L+M+ N+O)
	Description of asset for which this certificate relate	Debt for which this certificate being issued ⁽¹⁾	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)			
		Book Value	Book Value	Yes/ No	Book	Book					Relating to Column F					
ASSETS																
Property, Plant and Equipment		-	-	No	-	-	805.21	-	-	805.21	-	-	-	-	-	
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	No	-	-	673.05	-	-	673.05	-	-	-	-	-	
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	No	-	-	391.84	-	-	391.84	-	-	-	-	-	
Intangible Assets under Development		-	-	No	-	-	42.54	-	-	42.54	-	-	-	-	-	
Investments		-	-	No	-	-	44,050.08	-	-	44,050.08	-	-	-	-	-	
Loans ⁽¹⁾	Loan receivable on Gross basis (i.e. excluding ECL provision)	27,373.72	4,95,664.18	No	-	-	1,48,655.76	-	-	6,71,693.67	-	27,373.72	-	-	27,373.72	
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	No	-	-	554.75	-	-	554.75	-	-	-	-	-	
Cash and Cash Equivalents		-	-	No	-	-	78,540.38	-	-	78,540.38	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		211.41	28,177.53	No	-	-	2,363.67	-	-	30,752.60	-	211.41	-	-	211.41	
Others		-	-	No	-	-	14,094.11	-	-	14,094.11	-	-	-	-	-	
Total		27,585.13	5,23,841.71	-	-	-	2,90,171.39	-	-	8,41,598.23	-	27,585.13	-	-	27,585.13	
LIABILITIES																
Debt securities to which this certificate pertains ⁽²⁾	Secured Non Convertible Debenture	24,565.02	-	No	-	-	-	-	-	24,565.02	-	24,565.02	-	-	24,565.02	
Other debt sharing pari-passu charge with above debt				No	-	-	-	-	-	-	-	-	-	-	-	
Other Debt				No	-	-	-	-	-	-	-	-	-	-	-	
Subordinated debt				No	-	-	-	40,108.63	-	40,108.63	-	-	-	-	-	
Borrowings from Bank & FIs			4,50,742.88	No	-	-	-	85,284.80	-	5,36,027.68	-	-	-	-	-	
Debt Securities				No	-	-	-	-	-	-	-	-	-	-	-	
Others				No	-	-	-	-	-	-	-	-	-	-	-	
Trade payables				No	-	-	-	-	-	-	-	-	-	-	-	
Lease Liabilities				No	-	-	-	742.23	-	742.23	-	-	-	-	-	
Provisions ⁽³⁾				No	-	-	-	22,922.87	-	22,922.87	-	-	-	-	-	
Others ⁽⁴⁾				No	-	-	-	15,264.47	-	15,264.47	-	-	-	-	-	
Total		24,565.02	4,50,742.88	-	-	-	-	1,64,323.00	-	6,39,630.90	-	24,565.02	-	-	24,565.02	
Cover on Book Value			1:12												1:12	
Cover on Market Value		NA														
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio											

(1) Loan Receivable are considered on Gross basis and ECL provision of Rs. 19,860.27 lakhs are considered in liabilities for the purpose of computation of asset coverage.

(2) Debt securities to which this certificate pertains is based on Ind AS and includes unlisted secured NCD.

(3) This column includes book value of loans and receivables having exclusive charge and outstanding book value of debt for which this certificate is issued.

(4) Other doesn't include Equity share capital and Other Equity

For Arohan Financial Services Limited

DEBARSHI CHAUDHURI

Authorized Signatory
Place: Kolkata
Date: 05-08-2024

Arohan Financial Services Limited
 Limited Review for the quarter ended June 2024

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 June 30, 2024

Sr.No.	Description of Non-Covertible Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	INE808K08079 (Listed and Unsecured)	Pirama_NCD	19,864.04		
	Arohan Financial Services Limited SR G 13.65 NCD	Capital to risk assets ratio (CRAR)	18.00%	30.30%	Complied
		Financial indebtbn/Net Worth	<=5.5	2.97	Complied
		Gross NPA /Gross on book loan portfolio (refer note 1 below)	<3%	1.96%	Complied
		PAT	Positive	Positive	Complied
		Pre-provisioning operating profit (refer note 2 below)	>300 Cr	Not Applicable for June 2024 as to be reported on Yearly Basis	
2	INE808K08046 (Listed and Unsecured)	Northern Arc_NCD	6,710.63		
	Arohan Financial Services Limited SR G 13.50 NCD 28AY25 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	30.30%	Complied
		Gross NPA/Gross Loan Portfolio (refer note 3 & 7 below)	<2%	1.86%	Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 4 below)	<20%	0.00%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive	Complied
3	INE808K07253 (Unlisted and Secured)	CDC_NCD	3,889.49		
	Arohan Financial Services Limited 9.54 NCD 30MR25 FVRS10LAC	Capital to risk assets ratio (CRAR)	17.00%	30.30%	Complied
		(PAR 90 + Restructured Loans) /Gross Loan Portfolio (refer note 5 below)	5.00%	1.62%	Complied
		(PAR 90 less provision)/Tangible Networkth (refer note 6 below)	20.00%	0.00%	Complied
		Structural Liquidity	Net cumulative mismatch under maturity bucket 1 to 365 days will be positive	Positive	Complied
4	INE808K07279 (Unlisted and Secured)	FMO_NCD	20,675.53		Complied
	Arohan Financial Services Limited 10.71 NCD 19DC27 FVRS1LAC	Capital Adequacy Ratio	> 18%	30.30%	Complied
		Open Assets Exposure Ratio	< 25%	1.79%	Complied
		Related Party Lending Ratio	< 20%	0.00%	Complied
		Cost to Income Ratio	< 70%	43.23%	Complied
		Liquidity Coverage Ratio	> 100%	156.06%	Complied

Notes:

- 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 June 30, 2024 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 June 30, 2024 as denominator.
- Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on June 30, 2024 (As per Section 2(57) of the Companies Act, 2013) as denominator.
- (PAR 90 + Restructured Loans)/Gross Loan Portfolio - For calculating this ratio, loans overdue for more than 90 days plus restructured Assets been considered as numerator and closing Gross Loan Portfolio as on June 30, 2024 as denominator.
- (PAR 90 less provision)/ Tangible Networkth - For calculating this ratio, Loans overdue for more than 90 Days less corresponding provision on such loans has been considered as numerator and Total net worth less intangible assets (including ROU) and deferred tax assets as on June 30, 2024 as denominator.
- Gross Loan Portfolio = Assets Under Management

For Arohan Financials Services Limited

DEBARSHI
 CHAUDHURI

Authorized Signatory
 Kolkata

Digitally signed by DEBARSHI CHAUDHURI
 DN: cn=DEBARSHI CHAUDHURI, o=Arohan Financial Services Limited, email=debarshi.chaudhuri@arohan.com, c=IN
 Date: 2024.06.28 10:31:49 +05'30'